

**The development of a new business model in the
Greek supermarket industry: Empirical analysis**



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We hereby declare that the work submitted is ours and that where we have made use of another's work; we have attributed the source(s) according to the Regulations set in the Student's Handbook.

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ABSTRACT

The purpose of undertaking this dissertation is to conduct an extensive research regarding the supermarket industry in the Greek context in order to examine the viability and sustainability of the development of an innovative business plan regarding an online supermarket chain.

The research was primarily based on the qualitative research methodology, while also using some descriptive statistics in order to report and analyse respondents' replies. Both primary and secondary data were collected. Primary data were obtained through in - depth interviews with upper - level managers, as well as through a questionnaire filled out by individuals. Secondary data were primarily obtained from the analysis of sectorial studies and publicly available annual reports that were gathered and analysed in-depth to provide further support for findings acquired through the questionnaires.

Based on the analysis results, through interviews, questionnaires and reports from market and industry companies under examination, at a next stage we created a one year business plan from prototype phase. The business plan in particular regards the creation of an online supermarket chain. As such, certain aspects that distinguish it from the classic supermarket business model were highlighted. This plan may in turn be used as a vehicle to attract investors and entrepreneurs and help them to establish a successful firm on the top of this innovative idea. In addition, it is also the team's aspiration to put this plan in action and be actively involved in operating this online supermarket chain in the wider retail industry.

Keywords: online supermarket, retail industry, online shopping, business plan

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1 INTRODUCTION

1.1. CONTEXT OF THE STUDY

This dissertation examines the development of a new business model presented through an integrated business plan, in the retail industry; an online supermarket. The idea for the development of a new digital supermarket in Greece emerged after an extensive research identifying an increase in the area of online food retail shopping.

According to Hoojisma (2014), long queues, parking difficulties, crowded spaces, time-consuming comprise the hassles of doing groceries at the store. These reasons boost the creation of the online grocery shopping. France, Switzerland, UK and US constitute the biggest online grocery markets. According to a research conducted from IGD, in 2013 around 20% of the UK household resorted to online grocery shopping. UK has a particularly vibrant market, with Internet grocery sales comprising 4.5 percent of total grocery sales in 2010.¹ With regard to the US market, the online grocery businesses generated sales worth of about 6.5 billion U.S dollars in 2013, up from 6 billion U.S dollars in 2012.² Even if it represents only a small proportion of the overall grocery retail market, it comprises the fastest growing segment. The reasons why people select online grocery shopping are described in [Appendix 1 Graph 1](#) highlighting home delivery as the main reason, while the second most common reason appears the unique online products followed by curiosity, time-saving, price and promotions.

An extremely important factor for shopping online has emerged as the 24/7 availability. The extension of trading hours also reflects changes in patterns of working in the wider economy. Amongst these changes appears the increased pressure on employees to work longer hours, which reduces the available time for other activities based on home. Customers become “time poor” and an appropriate retailer response could be seen as an extension of the operating hours. Demand for night shopping might also have arisen due to the increasing proportion of women in work that has reduced the available time for women to shop during the day. Concern with work/life balance encourages individuals to reflect on

¹https://www.atkearney.com/paper/-/asset_publisher/dVxv4Hz2h8bS/content/a-fresh-look-at-online-grocery/10192

²<http://www.statista.com/statistics/293707/us-online-grocery-sales/>

their time budgets. Thus, 24x7 supermarket service facilities appear as increasingly necessary (Richbell and Kite, 2007).

According to Laudon and Traver (2008) the online retail business is increasingly profitable; generally, online shopping becomes more multi-seasonal, specialty retail sites show most burgeoning growth as customized retail goods are developed and increased emphasis is presented in improved shopping experience.

In reality, the online grocery service can't be available from any competitors of the field. It needs high level of investment as well as logistics infrastructure. But, some supermarket chains, having realized the customers need for convenience, have tried to incorporate the digital element into their already existed stores. The self-service check out, the smart shopping charts providing real time information on promotions, suggesting complementary items, distributing recipes and enabling to pass over the checkout aisle are common illustrations of the incorporation of the technology into the traditional shops.

By any standard, the digital channel offers more than mere convenience. It provides greater information, enhanced customization and a more convenient means of paying for goods.³Digital business models have already been successfully applied in several countries such as France, Switzerland, UK and US but not in Greece. So it seems like an opportunity that has to be exploited. Having taken into consideration all the aforementioned, we concluded that the online supermarkets will be the trend for the future generations. The rationale behind all these is that the lack of time as well as the search for lower prices will be the dominant factors that influence the bargaining decision and there is room for new models and strategies to enter the arena.

1.2. FOCUS AND OBJECTIVES

Given that the Greek economy faces a very difficult period, innovative ideas are required. The supermarkets field is considered irreplaceable and the high profit margins make it attractive. It presumably cannot be substituted but undoubtedly it can be evolved.

Through this study we introduce a business plan for a new type of supermarket in Greece which will offer all typical supermarket products at exceptional prices, available on a 24x7 basis. The difference in the midst of the new and the already existed Greek

³[McKinsey & Company: "Retail 4.0: The Future of Retail Grocery in a Digital World," Parag Desai, Ali Potia, and Brian Salsberg, 2014 page 13](#)

supermarkets is that it will operate exclusively online and 24x7. Our main concern is its right strategic implementation. Extensive analysis was made regarding the physical place, distribution channel, marketing strategies, suppliers etc. A full business plan is presented in order this breakthrough idea to be implemented with flying colours.

Overall, the key research questions for the study and the business plan development are centered on the following:

- What are the main reasons for which consumers choose to shop the supermarket items online?
- Can this new model meet their expectations?
- What will be the strategy for the success of this new business model?
- What is the added value it has to offer?

1.3. METHODOLOGY

In order to perform our study, qualitative data are used, acquired basically through interviews with managers from some of the most competitive and dominant existing Greek supermarkets, as well as through questionnaires. The interviews investigate why this new business model hasn't yet been inserted in the Greek market, as well as what constraints there have been. Questionnaires are distributed to consumers in order to gain a deeper knowledge about their expectations and their attitude to this new business model. Secondary data were retrieved through the university library using a range of information sources such as academic and commercial abstracts, bibliographic databases, and Internet search engines.

1.4. CONTRIBUTION OF THE STUDY

The idea of an exclusive online supermarket hasn't yet been realized in Greece. Some supermarkets provide online services but only during specific hours and with no difference in prices. On the contrary, with this study we aim to highlight two primary dimensions. On one hand, we want to offer an exclusive online and 24x7 available supermarket. On the other hand, the products will be sold in discount because of the decreased operational costs. These two aspects will also embrace the key business model we have developed and on which the business plan will be based.

We speculate that consumers will embrace it because this new model will cover the current customers' needs, making their life easier and more functional. Furthermore, it is addressed to a wide range of ages and educational backgrounds. As the Greek context is

influenced by European role models and working hours, free time for shopping will exist only at night and this breakthrough new idea satisfies customer needs. In conjunction with the first mover advantage that it has in the Greek market place, each and every consumer will find it attractive and challenging to try. The value added has to do with the smaller value chain of the new type of supermarket in contrast with this of a conventional supermarket, making the typical buying process easier, quicker and more relaxing. From a social perspective, this idea attributes a large number of benefits. It is planned to be a friendly user application that may inspire the users to incorporate the technology in every aspect of their life as well as in more and more industries.

Moreover, e-commerce affects the middle man and allows direct trade with consumers. Efficiency brings about lower prices for the consumer, but it is more accurate to argue that efficiency brings about greater wealth for shareholders, directors and owners. The intrinsic weave of social interactions of trade, can be disentangled and made into a horizontal supply chain. E-commerce creates efficiencies that effectively remove the need for a long supply chain but at the expense of social relationships.⁴

1.5. STRUCTURE OF THE DISSERTATION

The dissertation is composed of 9 chapters. The first chapter refers to the introduction and provides a basic description of the study. The next chapter includes the literature review, where an overview of the history of the supermarkets is included, tracking down what happened in every decade and how the supermarket and retail industry gradually evolved, in order to identify shopping trends. One section is referred exclusively in the Greek case and it describes the expansion of the industry from the 1960. The third chapter consist of the methodology that we used in order to achieve our goals. We describe the contribution of every technique and then we explain why and how we use it. In the fourth chapter, we represent the findings from interviews and questionnaires which constitute the primary data that we had to investigate. In addition, we cite the secondary data that we have gathered through various researched sources. In the following chapter, we present the business plan of the online supermarket and later on the limitation and future research direction. Finally, we display our conclusion and our findings.

⁴http://www.academia.edu/1737404/Social_Effects_of_Technology

2 LITERATURE REVIEW

The literature review chapter probes the history of the supermarket evolution, identifying the basic trends and customer's attitudes in every decade. Nowadays, we take it for granted but 100 years ago the concept of a supermarket sounded a very extraordinary thought.

2.1 THE HISTORICAL EVOLUTION OF SUPERMARKETS: TRENDS AND COMPETITION IN EVERY DECADE

2.1.1 PRIOR TO 1990

Before 1900, the traditional food retail system that dominated in the US constituted of wetmarkets that offered fresh meat, fish and produce, tiny 'mom and pop' stores where there were not self-service by customers (man at the till taking orders, wife preparing the order), street hawkers with pushcarts or shoulder or head burdens and home delivery of milk and dry goods. Mostly sole proprietorships, these stores were often run in a haphazard manner with little use of modern accounting practices or scientific management principles. Because most people arrived on foot, grocers needed to be close to their customers, so the stores were small and ubiquitous fresh products were limited in the supermarkets until 1960s because most consumers preferred wet markets for this kind of shopping.

2.1.2 THE CHAIN STORE EXPLOSION (1920s)

An inexpensive food market, the Astor market was developed in 1915 in Manhattan as an open air mini-supermarket that sold meat, fruit, produce and flowers (Gray, 1987). The expectation was that customers would come from great distances to take advantage of it, however the market did not respond well and the business folded in 1917. Interestingly, the social element was a big part of the everyday shopper's life and the removal of this meant that customers were disinterested, as they wanted a personal connection.

At the same time, the first Piggly Wiggly store opened its gates in 1916 in Memphis, introducing America to self-service shopping. The Piggly Wiggly was the first modern grocery retailer to provide open shelves and checkout stands, as well as to price-

market every item in the store.⁵ According to Gordon (2011) the radical idea was that stores could save money by putting their stocks on shelves and allowing the public to wander through them, gathering their selections in a basket and paying before they left. Although customers were a little bewildered by the dozens of stocked aisles; Piggly Wiggly was an immediate success and began to spread.⁶ By 1932, there were over 2,500 Piggly Wiggly stores.⁷

2.1.3 THE SUPERMARKET (1930S AND 1940S)

The trend of this period was to offer everything under one roof. In Southern California, Ralphs Grocery Company was venturing into much bigger stores than had been seen before in the greater part of the nation. Los Angeles was additionally seeing the start of the "drive-in business" marvel, where a few complimentary food retailers (a butcher, a pastry specialist, a food merchant, and a produce seller) would be merged inside of the same mall including also a parking area. The innovation of the vehicles ignition switch made it easier for housewives to reach the stores.

Trends of this period that influenced the demographics were the increased industrialization that urged people to the cities, the augmented disposable incomes, the decreased transportation costs made the supermarkets on the outskirts accessible, the incorporation of refrigerators in every kitchen, enabling the holding of food inventories and avoiding the every so often visits in the market place. The rising of the radio and television, presented national brands as more attractive, supporting the large-scale advertising campaigns. The development also of the shopping basket helped customers to purchase in mass. The person who had first perceived these trends was Michael Cullen establishing a tremendous self-service and cash only store, far from the city center and from the high renting requirements, offering also national brands' products and everything under one roof,

⁵P. Desai, A. Potia, and B. Salsberg (2013) *Retail 4.0: The future of retail grocery in a digital world*". Page 13
⁶<http://www.neatorama.com/2010/08/02/the-origin-of-the-supermarket/>

⁷According to Tedlow (1990) a wave of radical innovations took place this period mainly by the A&P. The cash and carry model, the standardized layouts and product offerings, as well as a backward integration concerning distribution and manufacturing comprise only some examples. A common cost cutting policy included the direct connection between warehouses and delivery trucks, eliminating the participation of intermediates. Furthermore, there was a tendency of producing own label products. Not surprisingly, chain stores quickly came to dominate the grocery business.

paving the way for the original supermarket⁸Suburbs and Shopping Centres (1950s and 1960s)

The real explosion in new supermarkets came in the baby boom years. There was a boom of new stores with extraordinary decoration and huge buildings incorporating recognising elements of the brand. The “cheapies” format began to precede; stores came closer to the city centers focusing more on building of upscale and less on price conscious portfolio of clients. The investment on newspaper advertising took place as a way of upgrading. In 1951 more than three new supermarkets were opening a day in the United States. In 1950, supermarkets accounted for 35% of all food sales in America; by 1960, that figure was 70%. Small groceries began to thin out.⁹The explosion of the supermarket in European cities followed, initially were established as a demo in areas where people were amazed from this product concentration. Very common strategies (especially for the middle size chains) became the mergers and acquisitions. From 1949 to 1958, 83 companies bought 415 chains, involving 2 238 stores (Appel, 1972).

2.1.4 DISCOUNTERS AND WAREHOUSE STORES (1970s)

More emphasis was put in design over the course of this period. Colours, carpeting and specialty departments were inserted in every store. The most representative store of this trend was the Kroger’s new superstore, established in 1972. But, some shoppers were afraid of the cost of the opulent design and they shifted their attention to the discounting stores, only to attract customers. Numerous stores in the city’s suburbs followed this trend making reductions on the labour hours and diminishing the trading stamps.

2.1.5 UPSCALE STORES, WAREHOUSES, MERGERS AND THE INFORMATION AGE (1980s AND 1990s)

At 1997 the first e-grocery store, named Webvan was presented, promising delivery in maximum 30-minutes. But, the operating cost was high enough and the embracement of the idea by the customers very low. As a result, it closed down, remaining in the industry’s history as an example to be avoided.

⁸<http://pauellelickson.com/SMEvolution.pdf>

⁹<http://www.neatorama.com/2010/08/02/the-origin-of-the-supermarket/>

During 1980s and 1990s even small traditional shops used the credit system, chain stores incorporated also credit cards, loyalty cards and banking services. One of the most significant innovations was the UPC code and the scanning register which would transform back end operations and expand the number of products carried in each store. (Messinger and Narasimhan, 1995). A new industry sprang up to support the processing of information. Information Resources Incorporated (IRI) was founded in 1978, beginning the era of the test marketing of new brands and laying the groundwork for an explosion of new products.

Another basic trend of this period was the tendency regarding mergers and leverage buyouts. This had a great impact on nearly all major chains. For instance, A&P was sold to German investors and Safeway, took itself private in 1987.

2.2 THE HISTORY OF SUPERMARKETS IN GREECE

The history of supermarkets in Greece began in 1960, a bit late compared to Europe and USA, with the model of self-service to dominate. At a glance,

- 1961: Marinopoulos, Athens
- 1962: Thanopoulos, Athens
- 1964: Consumer COOP, Thessaloniki
- 1966: Karaoglou, Larissa
- 1967: AB Vasilopoulos, Athens
- 1968: Sklavenitis, Athens
- 1976: Metro, Athens and Masoutis, Thessaloniki
- 1977: Galinos Laoutaris, Halkida
- 1978: Extra Prwta & Fthina, Athens

The 1980's were important for the development of nationwide networks of supermarket stores. According to data from Nielsen, the number of supermarkets was 527 in 1982 and 910 in 1988. In the self-service territory it is reported that in 1982 there were 32 chains and in 1988 had reached 60. At the same time, a new period of the first hypermarkets was introduced to consumers regarding shops over 2000 square meter. Almost all chains (Marinopoulos, Vasilopoulos, Veropoylos, Atlantik) initiate stores over 2,000 square meters.

In 1991, Praktiker and Continent which are the first foreign chains are opened in Greece. One year later in 1992 the first Makro is opened and on July 5, 1995 the public

welcomed the first Dia. The arrival of foreign chains intensified the already existed competition. It is no coincidence that during the six years 1991 - 1996 a total of 259 acquisitions of supermarkets took place, which represent 19% of all supermarkets in 1996. In June 1999, the first 10 stores of Lidl were opened, the discount chain which will mark retail and will play crucial role in the strategic decisions of competition, both in terms of their pricing and the format of the stores. Between 2000 and 2009, the number of supermarkets increased by 17.4 %, reaching from 3.673 in 2000 to 4.314 in 2009, while in 2010 the figure stood at 4,400 stores

2.3 ONLINE SHOPPING AND THE 21ST CENTURY

It took a few years, but it seems that grocery e-commerce is ready to catch up with the rest of retail. Shop sales still remain the king, with 90% of all related purchases occurring in stores, but as digital continues growing into a convenient, accessible shopping option, more consumers will be taking advantage of it. According to Kinsey and Senauer (1996), the ultimate time-saving convenience may be home shopping. Even though customers shop at more and more outlets they complain about not having the time and they seek convenience and added value services that will save them time.

Online supermarket signifies the conduct of strategic innovation: changes in one's business model that is different from the traditional ways of competing within the particular industry.¹⁰ Over the course of 2000, in USA 12 sites offered full line of groceries and each of the 12 is either online retailer or online grocery shopping service. They typically fill orders from merchandise stored in a warehouse.

According to Yousepet and Li (2004), three models of online supermarkets have been identified.

- Virtual pure players: they aren't supermarkets. They have constructed partnerships with supermarkets or with food providers or they invested in warehouses and they operate exclusively online. In this way, they only exploit the internet on the grounds of supermarket shopping and avoid the costly procedure of building a brand. The FoodFerry comprises a representative example, operating in the UK market.

¹⁰[https://domino.fov.uni-mb.si/proceedings.nsf/0/14a2c9e1e988dccac1256ee000272c96/\\$file/03yousept.pdf](https://domino.fov.uni-mb.si/proceedings.nsf/0/14a2c9e1e988dccac1256ee000272c96/$file/03yousept.pdf)
page 10

- Baby e-supermarkets: They tend to operate under the umbrella of an existing supermarket, with the form of an online subsidiary with their own e-brand name. The e-model can take advantage of the emerging internet opportunities but simultaneously, the parent supermarket follows the traditional path, being benefited from this. These parallel operations call for large amount of resources and attention to new marketplaces. More often than not, the operations are not related, even if the parent's brand strength is huge, its transfer is not feasible, and thus the e-model has to begin building its reputation from scratch. In the UK example constitute the Ocado from Waitrose.

- Hybrid models: They constitute the most commonly used model. Players of these models develop their offline operations to incorporate online offerings under one brand name. They don't support that the online form will be the dominant in the next years, so they focus more on the traditional path, seeking also growth from online clients. In the UK examples comprise the Asda @t Home, Sainsbury's To You, Iceland.com, Tesco.com and Waitrose Deliver.

According to Forrester Research in December 2001, despite the slowing penetration of regular Internet users, the number of consumers using the Internet for shopping goods and services is still growing. Research conducted by the GfK Group (2002) shows that the number of online shoppers in six key European markets has increased to 31.4% from 27.7% last year. This means that 59 million Europeans use the Internet regularly for shopping purposes.

According to Maddy Keith (2015), the 10 biggest markets by global e-Commerce sales are China, United States, United Kingdom, Japan, Germany, France, South Korea, Canada, Russia and Brazil. If we take a deeper look in the case of USA the projected e-commerce sales for 2015 are \$349.06 billion and even though only 28% of small business are selling products online, over half (57.4%) of the US public shop online.

According to a survey conducted by Eurostat in 2012, 75% of the respondents between 16 and 74 in the 28 EU countries stated that they had used internet in the past 12 months while 60% indicated that they had shopped online in the same period. Among the Member States, the most enthusiastic online shoppers were the British (82% of the internet users had shopped online), followed by the Danes and Swedes (both 79%), the Germans (77%), the Luxembourgiens (73%) and the Fins (72%). The lowest rate of online shoppers

was noticed by Romanians (11%), Bulgarians (17%) and the Estonians and Italians (29%). The main product categories shopped online in Europe are clothes and sports goods (32% in 2012 compared to 21 % in 2008). This was followed by books, magazines or e-learning materials (23% in 2012 compared to 19% in 2008). Groceries represented a smaller share (9% in 2012 compared to 6% in 2008).¹¹

Regarding our country (Greece), the e-commerce sales reached €3.8 billion in 2014 which means there was a 20.4% e-commerce growth in 2014. Greece's population consists of 11.0 million people, of which 58% uses the internet and 3.4 million of these internet users shop online. In addition Greece is the second fastest-growing country in Europe for B2C online sales, according to e-Commerce Europe's 2013 report, with more than €3 billion turnover. From all the above we can conclude that there is a huge upcoming trend relating to online shopping.

“Online retailing in food and consumer goods is growing at a phenomenal rate across Europe. Technology is empowering people, fundamentally changing the way they buy groceries,” said IGD chief executive Joanne Denney-Finch.¹² Some retail companies have identified early this trend and tried to make the most of it in different ways. For instance, the US’s leading online retailer, Peapod, constructed virtual grocery stores in Chicago’s most traffic subways. Customers scan a QR-code, download the mobile application and start shopping only by scanning item bar codes. This project is successfully implemented and the firm plans to build more than 100 virtual stores in buses and train stations. The same operation has also the Home plus in Korea. In addition P&G and Wal-Mart collaborated for one month, using exactly the same project idea in order to let customers to buy heavy consumable products but without carrying them, the delivery would be made directly to their homes.

An Australian company named Grocery Run, constructed a daily deal web site where overstock designer products are sold, taking that idea to supermarket essentials, with 48-hour runs enough times per week. The average items sold in every run are approximately 400-500 and the number of subscribers reaches the 1.5 million. After only one year of operation, the Grocery run became the larger Australian online grocery,

¹¹<http://www.ecommerce-europe.eu/news/2013/10/eurostat-releases-figures-on-online-shopping-in-europe>

¹²<http://mercatus.com/european-grocery-ecommerce-to-double-in-2016-as-north-american-efforts-ramp-up/>

compelling the competitors to decrease the prices of products like milk and toilet paper. Another example is the Ocado online grocer which in the e-supermarket form has incorporated smart windows such as Reminders of forgotten items, tailored special offers, incomplete offers to drive the promotional uplift and switch and save to improve margin, in order to enlarge the basket size and to boost the profitability.

Some companies such as Schwan's spotted the opportunity to widen their activities due to the internet. Even if it started as an ice cream delivery company, it was transformed into a full service frozen food, meat and produce house delivery firm. But, there are not only the retail firms that take advantage of the internet and the e-supermarkets. Samsung launched an e-commerce enable refrigerator, which allows individuals to place their grocery orders directly through an incorporated LCD screen.

Grocery e-commerce is already an important part of the European shopping experience, at least in countries like the United Kingdom. Reuters recently reported that according to IGD online grocery value in UK will reach the amount of \$18.9 billion in 2016 from \$9.8 billion reported in 2012. France will experience similar market growth, from \$6.89 billion to \$14.63 billion. According to Eurostat, the official statistics board of the European Union, nearly 60% of EU internet users shop online.

One significant trend of this period is the use of mobile applications and the transactions through smart phones. These days, 3 out of 10 online transactions in Europe are completed via a mobile device. It is estimated that global mobile purchases will be worth €100 billion in 2015, equivalent to 8% of total ecommerce sales. As far as online grocery is concerned, an average of 20- 35% of orders come from smart phones. A strong proof of this trend is that Ocado's mobile orders account for 45% of the total amount. Because of this trend, many companies have decided to enhance mobile user experience and started to focus on mobile applications and websites. Data from Nielsen shows that the number of shoppers accessing major retail sites from their Android devices grew by an average of 48% in the 12 months ending June 2014. During that same period, the number of users visiting the same retail sites from their desktops and laptops decreased by an average of almost 20%.¹³

¹³<http://www.nielsen.com/eu/en/insights/news/2014/mobile-migration-online-shopping-goes-mobile-in-the-u-k.html>

The CEO of Syndy, Pietr van Herpen reports that consumers in Europe and the US increasingly turn to online grocery stores for their shopping. The online channel is relied upon to develop to €80billion by 2018, with buyers seeing the advantages online brings, as higher comfort. For retailers and suppliers the developing e-grocery business sector offers numerous open doors, yet deciphering the code still demonstrates troublesome.

The four European nations (The UK, The Netherlands, Germany, France) and the US each demonstrated amazing development of online grocery in the previous year. The Dutch business sector showed huge growth, with +55% developments. The French market became slowest, yet at the same time came to an amazing +25% development. The German and the British markets grew 38% and 26% individually. Penetration expanded fundamentally over all nations. In 2014, 16% of European purchasers purchased groceries on the web, contrasted with 13% in 2013. The e-grocery business sector has accomplished huge progress due to the fact that market value as well as consumers' embracement of the trend grew fast. The role of online goliaths like Amazon likewise expanded in the US with AmazonFresh, as well as in Europe. Amazon has put millions into its online grocery, and customary retailers, have chosen to put assets into their own online offerings as well.

This particular industry involves one of the biggest fragments in worldwide retail, in which set up universal players lead the path with huge piece of the pie. In any case, the condition of the business is evolving quickly. Conventional grocery retailers have to manage with expanding price wars, diminishing margins as well as the shift of consumer to organic products. At the same time, digital patterns are constraining retailers to adjust their plans of action. In 2014, the worldwide grocery business sector was esteemed at €3 trillion, making it 3 times bigger than the worldwide attire industry. In 2014, the grocery market in Western Europe was esteemed at €936 billion, with the UK alone representing 55% of total retail sales.

The grocery industry is reaching a digital tipping point, with much of its growth expected to come from online. It is said without doubt that some brands claim 20-50% of their sales occurring from online purchases. A blend of elements is in charge of this development; growing online offerings, new innovations, expanded efficiencies and purchaser inclinations for convenience are among the most imperative ones. The worldwide

e-grocery business sector is developing quick, with an estimation of €80 billion expected by 2018. Today, grocery retailers that are effectively offering their items online are making gigantic worth, particularly contrasted with retailers that are not yet on the web.

To sum up it is obvious that this trend came to stay and its particular type of digital way of shopping is preferred more and more by consumers. In our country, Greece, this model has just started to be exploited by businessmen and there are huge opportunities for potential investments.

2.4 LITERATURE REVIEW GAP

At a glance, we conclude that individual chains, as well as the whole supermarket sector experienced gigantic development more than seven decades and that growth cycle overshadowed a prior cycle of growth in self-service grocery stores. The trend was from wet markets and mom and pop stores to chain non-food shops, then moving on with chain grocery shops, continuing with small supermarkets and food sections in department stores, following by medium/large supermarkets in towns, to hypermarkets in the suburbs and convenience stores/ neighbourhood stores in dense inner-city areas and small towns.

After examining thoroughly the history and the evolution of the supermarkets in Europe and USA we conclude, without a shadow of doubt that the trend regarding the retail sector is online shopping. Studies that focused on UK online supermarket strategies and business models have been very limited. Most existing studies were conducted in the US or Scandinavian countries where the history of online supermarket is a little longer. Most studies in the UK have focused on a specific aspect of online supermarket, such as the delivery centre model (Roberts, Xu and Mettos, 2003), the marketing aspect (Murphy and Bevan, 2001), a specific company's operation (usually Tesco) (Delaney-Klinger, Boyer and Frohlich, 2003; Child, 2002; Ring and Tigert, 2001; Seybold, 2001) or the general impact of the Internet on the Industry (DTI and PricewaterhouseCoopers, 2002). However, more recent studies began to examine both UK and US players in terms of marketing, operations and supply chain in a more integrated fashion (Boyer, Hult, Splinder and Santoni, 2003; Ellis, 2003).

As the years go by, more and more online supermarkets sprang up in Europe following the already existing trend of the USA. In essence, the digital channel offers much more than mere convenience, it offers greater information, enhanced customization and

easier way of payment. Many studies of online supermarkets have investigated issues concerning process design and physical distribution (Burt and Sparks, 2003; Kamarainen, 2001; Punakivi and Saranen, 2001; Punakivi, Yrjola and Holmstrom, 2001; Yrjola, 2001; Smaros and Holmstrom, 2000), potential value proposition in online supermarket (Anckar, Walden and Jelassi, 2002; Tanskanen, Yrjola and Holmstrom, 2002), different online adoption models of grocery retailers (Charitou and Markides, 2003; Ring and Tigert, 2001), as well as the customer perceptions and marketing aspects of online supermarket (Zeng and Reinartz, 2003; Allen and Fjermestad, 2001; Seybold, 2001; Morganosky and Cude, 2000).¹⁴ These studies have provided rich background on different aspects of online supermarket business.

According to Desai, Potia and Salsberg (2013) the success of the e-grocery relies heavily on overall warehouse utilization; customer penetration in densely populated areas and order frequency/basket size. In other words, this model is not expected to succeed in all countries or geographies. But as e-grocery players become adept at their game, with virtual stores, low prices and effective delivery models, bricks and mortar grocery stores who don't adapt may be left to play in the convenience store/food service game, selling products at the lowest margin end of the spectrum.

Furthermore, Desai, Potia and Salsberg (2013) consider that online retailers represent a formidable threat because they don't have constraints of store space, floor size or location. Nor do they have the same elevated rent, utilities and staff costs as brick and mortar players. Consequently, they can offer nearly unlimited product selection and operate "at scale", affording them a structural advantage over brick and mortar competitors.

Taking advantage of this emerging trend as well as of the opportunities emerged from the online retailing; we present later on a new business plan regarding the development of a new online supermarket in our country (Greece) and more specifically in the area of Thessaloniki. An exclusively online supermarket player doesn't exist in our country. By establishing that, we will cover the existing gap in the Greek market and there is significant evidence that the audience will respond positively and will embrace this new idea.

¹⁴Li, Feng and Yousept, Irene, "Online Supermarkets: Emerging Strategies And Business Models In The UK" (2004). *BLED 2004 Proceedings*. Paper 30. Page 12

2.5 IMPORTANCE AND PURPOSE OF A BUSINESS PLAN

Since our primary research objective is the creation of a business plan, in the following parts we devote some sections analyzing the literature regarding the importance of writing a business plan, as well as the key theories and tools we will use in order to develop it, as employed in business plan methodologies followed.

As Barrow et al. (2001: 6) note, ‘perhaps the most important step in launching any new venture or expanding an existing one is the construction of a business plan. According to Patrick Hull business plans are critical to the success of any new venture. He believes that it is of essential importance to devote time in order to create them, regardless if searching for potential investors. What a business plan stands for is the fact that it acts as a framework for the company and also provides benchmark to see if goals are achieved.

Many researches have been conducted regarding the relationship between planning and performance of a company and the academic debate is more intensified in the entrepreneurship domain. There are two opposing schools of thought that address these issues. The supporters of planning advocate that planning cultivates the advancement of firms on the grounds that resources are utilized in the most efficient manner and the speed that decisions are taken is increased. On the other hand those who challenge the value of business planning assume that if the top management team devotes time to business planning that can result in lower returns than dedicating that time in activities of acquiring resources and building the company. Opponents of planning also stress that planning can lead to cognitive rigidities, organizational inertia, and limited strategic flexibility (Vesper, 1993)

Planning is what makes businesses successful and is a necessary element for the survival and growth of every company. As a quotation states ‘the business that fails to plan, plans to fail’. The main purpose as well as benefit of such a plan is to serve as a guide for the business. The most important reason for writing a business plan is to develop a guide that will be followed throughout the lifetime of the business. It will help and provide with tools in order firstly to analyse the company and then to implement changes that will make the company more profitable. In addition, another key element is that it will provide detailed information about all aspects of the company’s past and current operations as well as its projections for the future.

The second most significant reason and purpose of a business plan is to seek financing. If capital is needed for a new investment and the company does not have the money to support, investors or bank loans are needed. Every lender wants to know how cash flows are maintained and how the particular investment will improve the overall net worth of the company and help the investor to achieve the desired return on investment. That is why the existence of a business plan is so significant.

2.6 TOOLS USED IN OUR BUSINESS PLAN

2.6.1 KEY SUCCESS FACTORS

According to Keh and Shieh (2001) key success factor in order an online supermarket to bring the house down are the followings.

- ⊙ the first-mover advantage: which ensures quick brand recognition, experience, economies of scale and development of the know-how prior to competitors' entrance in the industry

- ⊙ the access to capital; adequate resources are needed so as to sustain not only the growth but also the instability of the market. Continual cash injections are deemed necessary especially for the first years of operation in order expansion and economies of scale to be achieved.

- ⊙ the strategic alliances: Given that it is a field that depends heavily on several different factors, no one firm can survive itself. With partnerships or alliance firms can eliminate the risk of investments, and they can combine their complementary resources and capabilities.

- ⊙ the construction of the right web site. Characteristics such as easy navigation, up-to-date information, user-friendliness, security, useful links and desirable interfaces should be met.

- ⊙ The provision of superior services (for instance prompt and efficient delivery): the groceries comprise a commodity-type goods and the competition in the field is high. The provision oh high quality service reassures the repeat business, the fast market penetration and the building of brand equity.

- ⊙ Value added information: More information than physical store personnel can provide is considered valuable. For example, information about recipes, cooking tips and nutritional data are deemed useful.

◎ Warehouse/Logistics Structure: A well structured warehousing and logistics system is necessary in order potential distribution problems to be handled as well as the delivery to take place timely.

◎ Differentiation through niching: The provision of products that are addressed to segmented markets but that are difficulty found in this region is essential.

2.6.2 PESTEL ANALYSIS

According to Johnson, Scholes and Whittington (2008) the PESTEL framework provides a comprehensive list of influences on the possible success or failure of particular strategies. PESTEL stands for Political, Economic, Social, Technological, Environmental and Legal. Politics highlights the role of governments; Economics refers to macro-economic factors such as exchange rates, business cycles and differential economic growth rates around the world; Social influences include changing cultures and demographics, for example ageing populations in many Western societies; Technological influences refer to innovations such as the Internet, nanotechnology or the rise of new composite materials; Environmental stands specifically for 'green' issues, such as pollution and waste; and finally Legal embraces legislative constraints or changes, such as health and safety legislation or restrictions on company mergers and acquisitions.

2.6.3 PORTER'S FIVE FORCES ANALYSIS

According to Johnson, Scholes and Whittington (2008) Porter's five forces framework was originally developed as a way of assessing the attractiveness (profit potential) of different industries. It can provide a useful starting point for strategic analysis even where profit criteria may not apply. The five forces are: the *threat of entry* into an industry; the *threat of substitutes* to the industry's products or services; the *power of buyers* of the industry's products or services; the *power of suppliers* into the industry; and the *extent of rivalry* between competitors in the industry. Porter's essential message is that where these five forces are high, then industries are not attractive to compete in. There will be too much competition, and too much pressure, to allow reasonable profits.

2.6.4 PROMOTION MIX

According to Kotler and Armstrong (2012) the major marketing mix tools are classified into four broad groups, called the *four Ps* of marketing: product, price, place, and promotion. To deliver on its value proposition, the firm must first create a need-satisfying

market offering (product). It must decide how much it will charge for the offering (price) and how it will make the offering available to target consumers (place). Finally, it must communicate with target customers about the offering and persuade them of its merits (promotion). The firm must blend each marketing mix tool into a comprehensive *integrated marketing program* that communicates and delivers the intended value to chosen customers.

3 METHODOLOGY, RESEARCH DESIGN, DATA GENERATION

The purpose of this study is twofold. One hand, we present the idea of the operation of a digital supermarket as well as the differences from the convenient stores, which led to lower prices. On the other hand, we would like to examine customer reactions and attitudes about this innovative concept. This chapter includes an analysis of the methods and tools that are used for the study, as well as an assessment of the gathered data. In order to conduct our research we use a combination of qualitative and quantitative research methods.

3.1 RESEARCH METHODS

According to Mayers(2013) research method is defined as a strategy on enquiry. A research method is a way of finding empirical data about the world. Each research method builds on a set of underlying philosophical assumptions and the choice of research method influences the way in which the seller collects data. Specific research methods also imply different skills and research practices. According to Creswell (2013) there are three research approaches: the quantitative, the qualitative and the mixed. (Please see [Appendix 2- Research approaches](#)).

3.1.1 QUESTIONNAIRES

According to Wisker (2008) researchers are likely to be using questionnaires if they seek responses from large number of respondents, as they can be counted, measured and statistically analysed. For this reason, questionnaires are favourites among those with a positivistic worldview and methodology who seek to test a theory.

Its form may be written or oral with mainly open ended questions. The researchers focus more on the richness of information and less on the statistical significance, so the samples tend to be large. Even if the questionnaires seem to be a real method for discovery,

the interviews are considered better in cases of searching real in depth understanding. They have a direct manner in gathering information about facts, situations, attitudes, behaviours, activities or reactions to events. They take the form of a list of questions and either they are distributed to the individuals, in order to be filled out and posted back, or they are announced by the researcher and the individuals respond in real time. The questions may be open (unlimited, undefined answers), closed (limited range of answers, for example yes or no), multiple choice (selection from a list) or Likert scale type questions (on a range of for example strongly agree to strongly disagree).

The shortcoming of this method is that even if it can elicit a large number of data, more often than not people find the filling of questionnaires as an irritating process, keeping the response rate in low levels. Moreover, the attempt to approach the sample is only one, thus the questionnaire should have been constructed carefully in order to eliminate the need for repetition of the survey with enhanced versions.

3.1.2 INTERVIEWS

According to Myers (2013) interviews are one of the most important data gathering techniques for qualitative research in business and management. They are used in almost all kinds of qualitative research and are the technique of choice in most qualitative research methods. Interviews allow us to gather rich data from people in various roles and situations.

The form of the interview varies, according to the purpose of the research. It may be an interview with an individual, using the face-to-face verbal interchange, but it may be an interview with a group of people, it may be conducted with the aid of mails, with self-administrative questionnaires or with the form of telephone surveys.

According to Myers (2003) there are three types of interviews:

1. Structured interviews: pre-formulated questions, strictly regulated with regard to the order of the questions, regulated regarding the time available.
2. Semi-structure interviews: pre-formulated questions, but not strict adherence to them. New questions might emerge during the conversation.
3. Unstructured interviews: few if any pre-formulated questions. In effect, Interviewees have free rein to say what they want. No set time limit.

Wisker (2008) comments that:

- The structured interviews are comprised of structured questions with multiple-choice responses. The closed questions can guide the responses clearly, making analysis simpler, but can be too guiding and limiting – it might not gather feelings.
- The semi-structured, open-ended interviews managed to address both the need for comparable responses and the need for the interview to be developed by the conversation. There is series of set questions to be asked and space for some divergence.
- The unstructured interviews have been described as naturalistic, autobiographical, in-depth, narrative or non-directive. It is modelled on a conversation and it is a social event with two participants. As social event, it has its own set of interaction rules which are recognised by the participants.

In essence, the open-ended interviews are better at gathering emotions but are prone to go off the point, thus the comparison with other interviews is no easy task. As a result, even if the data are rich are also incomparable, making the drawing of conclusions infeasible.

3.1.3 WRITTEN SOURCES

The written sources provided our research with qualitative data. We used them in order to investigate the evolution of the retail industry from 1930, identifying the major developments and trends of every decade. Secondary data will be reviewed through the university library using a range of facts and figures sources such as academic and commercial abstracts, bibliographic databases, and Internet search engines.

3.2 DATA COLLECTION

According to Hox and Boeije (2005) the data are collected through 3 different types of strategies:

1. Experiments and quasi experiments: they are useful tools because they incorporate a research design that allows strong causal interference.
2. Surveys through structured questionnaires: they let the collection of data for a large number of variables from a large and representative sample.
3. Qualitative research design: Using techniques such as in-depth interviews, participant observation or focus groups, the collection of a large amount of data from a purposive sample is enabled.

3.2.1 PRIMARY DATA

According to Mayers (2013) primary sources are those data which are unpublished and which the researcher gathered directly from the people or organization. Primary data include data from interviews, fieldwork and unpublished documents such as minutes of meeting.

The main advantage is that they add richness as well as credibility to qualitative manuscripts. Their uniqueness also increases the contribution of the researcher to this particular subject. The benefit of collecting your own data is that the research structure and the data collection strategy can be adapted to the research questions in order to give relevant and useful information, ensuring also the quality and validity of the data. Additionally, in case of need for extra data, investigator will be able to gather them during the study period.

The disadvantages are that the collectors responsible for the kind of tools will be used, how, when, how he will fund the research as well as for the data quality. But the most cardinal shortcoming is that it is a costly and time consuming procedure.

3.2.2 SECONDARY DATA

According to Mayers(2013) secondary data refer to any data which you have gathered that have been previously published. They include previously published books, newspaper articles, journal articles and so forth. According to Johnston (2014) the main advantages of secondary analysis the cost-effectiveness and the convenience. Since the data have been already collected from someone else, neither financial resources nor time are required. The access in high quality large datasets gives great validity of the findings. The absence of the data collection accelerates the research procedure, hastening the project's completion.

There are also some disadvantages in the secondary data analysis. Firstly, the data has been collected for some other purpose and they may not fit in the particular case. Secondly, there is no room for additional data or follow-up questions. Thirdly, the researcher doesn't know how the research has been conducted, ignoring problems such as poor quality of data or low response rate, respondents misunderstanding.

In this section, primary and secondary data are combined in order to give a more accurate image. Regarding the primary data collection we used in-depth interviews and

questionnaires. Secondary data source in our study comprise the Internet as well as the University library.

3.3 RESEARCH DESIGN

The research process starts with an examination of the supermarket evolvement, presenting the first supermarket in US and describing the major changes and trends of every decade. In this way, we investigate all the changes and we conclude that this sector is an always evolving one. Finally, we spot the market gap of the current period and then we propose a solution in order to fill it.

3.3.1 METHODS OF SPREADING THE QUESTIONNAIRES

For the purpose of testing the acceptance of our solution we consider that the customers' opinions are extremely helpful. Given that the topic deals with behaviour of online consumers, an online questionnaire was used in order to investigate the general clients' attitude towards online shopping and especially their attitude towards one digital supermarket. The Google Spreadsheets were used for the survey, allowing the participants to answer the questionnaire online.

Having been constructed the digital questionnaire; its link was emailed to participants, asking them to forward it to others. Mainly, the questionnaire was distributed through the social media, especially through Facebook. The link was placed in University's groups as well as in personal profiles. The respondents could easily click on the link, which in no time at all, lead them to the questionnaire.

Participants should have included in the target group of the business model which is people between 18-50 years old. The selection of this target group wasn't at random. This age group is more adept at using internet and tends to buy large number of products online. So the filling of the questionnaire by the target group was deemed necessary so as to take a more accurate idea about the level of acceptance of the proposed idea. Except of the age, there were no some stable characteristics between our samples. Values such as confidentiality as well as anonymity were met.

The results are then recorded and saved in an excel file supported by the Google Spreadsheet. The questionnaire runs for ten days, between September 19 and September 29, 2015. The initial plan was the questionnaire to be distributed to 80-100 individuals, but fortunately the acceptance rate was skyrocketing. A total of 352 Greek individuals

volunteered to participate. The questionnaire included required questions, thus the respondents couldn't oversee some of them, they were able to drop the questionnaire at any time.

3.3.2 COMPONENTS OF THE QUESTIONNAIRE

The questionnaire was designed online as the topic and the purpose of this study deals with online services. Most of the questions were adopted and adapted from previous research whereas some others were self-developed exclusively for the purpose of the study to address crucial issues which were not identified in previous studies. The first part deals with the demographics and inspiration came from Kurnia(2003). The second part is based mainly on Kurnia's (2003) and Morganosky and Cude (2000)examining the online shopping experience and spotting why people tend to buy online, scored mainly on a five-point Likert scale with anchors 1 = "strongly disagree" and 5 = "strongly agree" but using also multiple choice questions. The third part is specified in our topic and some retrieved questions are taken by Morganosky and Cude, (2000)while other related with social influence and behavioral intention were adapted byKurnia, S. &Chien, J. (2003) and Kurnia (2003), using also a five point Likert scale, open end questions as well as multiple choice.Questionnaire form can be found in [Appendix 3 Questionnaire](#) in both English and Greek languages.¹⁵

The next step of our research is the depth interviews which were conducted with upper level managers of AB Vasilopoulos and TheSupermarket. The selection was based on their capability to respond our questions, given that they have an overall knowledge about the business function as well as about the industry's issues. Each manager was contacted through e mail and asked to participate in the research. The duration of the interviews was approximately 45minutesand took place through telephone and through personal contact. During the interviews, we were keeping notes and then we summarized our data.

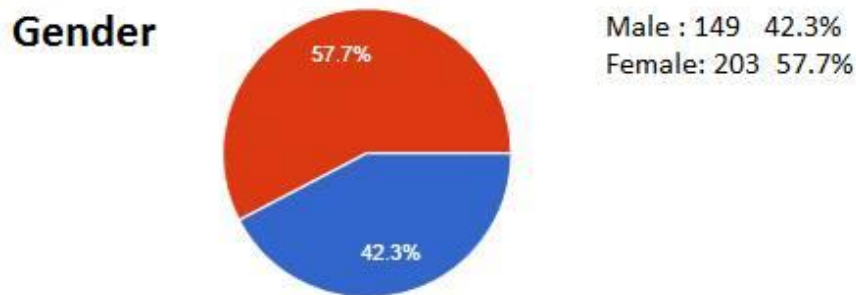
¹⁵The Greek version was used for purpose of convenience for our target group, but the results have been translated in order to be inserted in our report.

4 RESEARCH FINDINGS & DATA ANALYSIS

The aim of the data analysis is one the one hand to integrate and on the other hand to compare data in order final conclusions to be drawn. The data acquired from the questionnaires are presented with the aid of charts. Records are statistically analysed with Google Spreadsheets software.

4.1 QUESTIONNAIRES

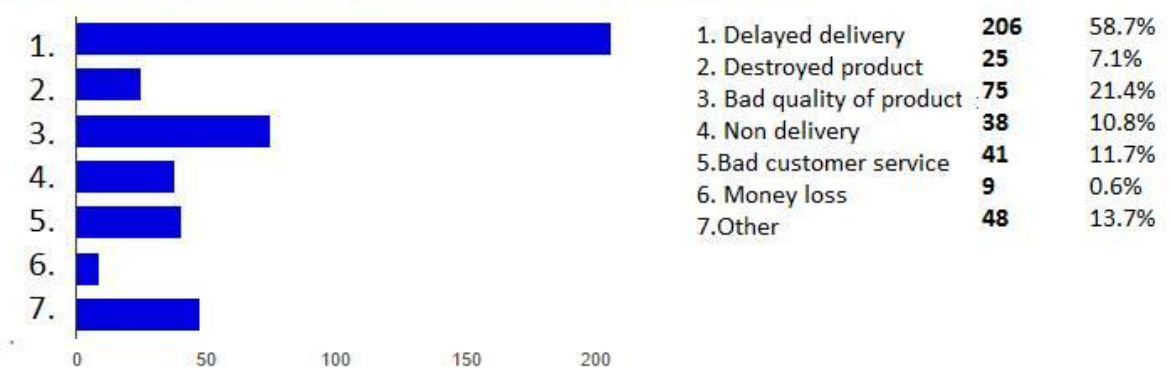
Figure 1. Distribution of respondents in terms of gender



The results indicated that 57.7 % is represented by females and the 42.3% by males. Most of them (79.8%) are highly educated with low disposable income (84.4% earns 400-1000€). Regarding their interaction with the Internet the 46.6% tends to spend 3-6 hours daily browsing on the web. Most of the respondents (95.7%) have already some online shopping experience with the 81.8% shopping through PCs. One issue of major importance is that the 54% chooses to shop online mainly after 20:00. This comprises a conducive element for our research because it indicates that the buying process takes place in hours that the conventional supermarkets are about to close.

Figure 2. Problems duringonline shopping

Have you ever encountered any problem while shopping online?



As it is displayed above the main problem that our sample faces is the delayed delivery. Second more prevalent problem comprises the bad quality of products while 13.7% of those who haven't chosen the above problems declared that they haven't faced something wrong. Examining the case from our business model perspective, the first problem does not exist because the delivery takes place within 30 minutes and the delivery hour is predetermined by the customers. Regarding the quality, it will be kept at the highest level in order to support our strong brand name. The fact that 13.7% hasn't encountered any problems increases the possibility to repeat online purchases.

Examining the parameters that influence the online purchases we present the customers' rating. (Full graphs are presented in the [Appendix 5- Questionnaire results](#))

- Price comparison: More than 65% of the respondents confirm that price comparison is easier in the online shopping.
- Product variety: The 68.6% of the respondents argues that the wide variety of products is a pivotal factor that urges them to shop online.
- 24 hours availability: The 65.4% of the respondents choose the online shopping because of the 24hour availability.
- Saving time: More than 59% of the respondents consider online shopping as a saving time procedure.
- Better prices: The 77% of the respondents believes that online shopping offer discount opportunities and they try to take advantage of lower prices.
- Convenience: The 54.4% of the respondents find the internet as a more convenient way of shopping but simultaneously a large percentage keeps a neutral attitude.
- Future trend: The proportion of the respondents who agree with the statement that online purchases will substitute the ordinary way and who disagree with the above statement follows a normal distribution. The 29.8% of the respondents agree that online purchases are the future, the 32.9% remains neutral and the last 37.4% disagree.
- Better product description: Most of our respondents remain neutral (32.6%) while a large proportion 32.3% slightly disagrees that the internet offers a detailed description of the products.
- Delivery: Approximately 50% of the respondents prefer the internet shopping by virtue of the delivery services.

- Security of purchases: A very good indication is that the 68.6% of the respondents disagree with the statement that internet is dangerous.
- Shopping way: Approximately the 40% of the respondents seem to be reluctant to abandon the conventional way of shopping, the 30% remain neutral and the remaining 31.1% have substituted the conventional with online shopping.
- Possibility to use an online supermarket: The 69.4% of the respondents would use an online supermarket if it was available. The 17.3% remain neutral and only a very small proportion (approximately 13%) would not use it.
- Recommendation to others: The percentages are quite similar with the possibility of use. The 68.2% of the respondents would propose it to others and the 13.2% would not.
- Price consciousness: The 74.5% of the respondents are price conscious customers. This fact confirms that nowadays people are willing to put extra effort in order to achieve lower prices.
- Shopping of supermarket products: Approximately the 42% of the respondents haven't yet made up their minds if within the next year they will buy supermarket products online. Approximately the 30% seems to be positive with this idea and the remaining 27.8% is reluctant.

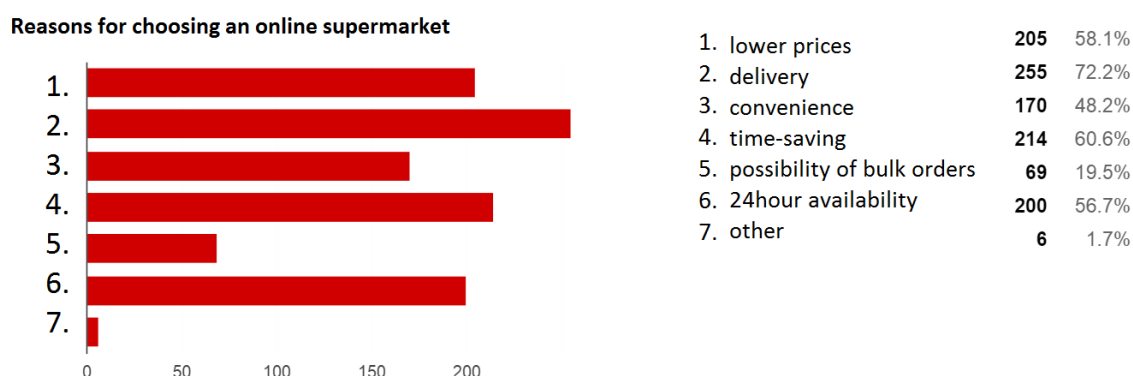


Figure 3. Reasons for choosing an online supermarket

According to figure 3, the main reason for which people would choose an online supermarket is the delivery. The 72.2% of the respondents have confirmed it. The second most significant reason is the time saving with 60.6% supporting it. Following, the 58.1% of the sample agrees with the argument that they would use on line supermarkets if lower

prices were achieved. Moreover, the 48.2% of the respondents endorsed the convenience as a reason to choose it.

Raising the question “*why wouldn't you use an online supermarket*”, we managed to collect a variety of reasons that repel customers of using it. The major part of the respondents argued that they would use it, but some others seemed to be reluctant. The main reasons for not choosing it are:

- The absence of visual contact with the products
- Fear of low quality (especially for meat and vegetables)
- Destroyed packages or expired products
- Fear of reliability/ money loss
- Lack of it knowledge or cumbersome website
- Delayed delivery
- Limited variety of products
- Lack of detailed products' description
- The supermarket comprises a leisure activity
- High minimum order cost
- Higher prices
- Fight against unemployment

The question “*What do you like most of the competing services currently available from other companies?*” provides us with ideas about what elements we have to incorporate in our business model.

The most common answers are the following:

- The wide variety of products
- The direct contact with the products
- The discount offerings
- The whole shopping procedure as a way of entertainment
- The decoration and the general design/environment
- The grouping and classification of the products
- The bonus cards
- The easy comparison of the prices

- Nothing special

The following question “*What changes would you propose in order to improve the competing services currently available from other companies?*” Tried to identify what changes clients want. In this way, the new business mode will take them into consideration, trying to achieve the highest possible customers’ satisfaction. The most prevalent proposed changes are the followings:

- Diminishing of the prices
- Longer operation hours
- No waiting at checkout
- Wider variety of products
- More discount offerings
- Incorporation of delivery services
- Clearance
- Better and quicker customer service

The last question, “*What recommendations would you proposed us*” aimed to detect customers’ expectation of an upcoming online supermarket. The most common answers were, to be realized soon, to offer lower prices, high quality of products and fast delivery, to have a user friendly website and mobile application, to not impose delivery costs, 24x7 delivery availability, to offer detailed description of the products and possibility of payment on the delivery,.

4.2 INTERVIEWS

The respondents were divided into interviewee1 and 2.

Interviewee 1. The respondent is male, and he was an upper level manager of TheSupermarket, in Thessaloniki. He was one of the establishing members and even if the last month he dropped the business he was willing to help and provide us with significant information. (Full answers may be found in [Appendix 4 – Interview Responses](#))

As the respondent stated, this supermarket is a first attempt to approach the online supermarket industry. It is a quite small investment with only one physical store and 20 employees but there is high variety of products (4.800) and orders are delivered all over the

country. His involvement in the strategic decision making was high given that he was not only a manager but also a shareholder.

According to him, the customers were very satisfied and the development of the company is rapid even if the market share is not adequate yet. The main tool for attracting new customers is the mouth to mouth advertising but no significant effort had been put by exploiting the marketing policies. Their competitive advantage is that they offer not only one but a combination of high quality services. They provide all the supermarket products that someone can find in a conventional store but they offer also delivery service at customer preferences (time and place).

The most important issue for the interviewee was to deal with the workflow and the everyday functions that were required for the smooth operation of the company. The control of the inventory flow was twofold as on the one hand the inventory cost had to be kept at minimum and on the other hand the available items had to be adequate in order to cover the needs. In general, the whole coordination comprised an intricate procedure having to control 120 parameters per day.

In view of the customers' attitude, the respondent considers that clients are more and more price conscious trying to take advantage of good deals. At the same time, they remain demanding seeking for combination of branded products in low prices.

In essence, this business model relies heavily on the technology. The main focus is not based on the physical store which operates as a supplementary feature but in the online service. Even if they were founded simultaneously the core benefits were expected to arise from the online form. The expectation is that gradually the whole target clientele will shift to online services. Another possible incorporation of technology may take the form of movable supermarkets that will service isolated areas such as villages in hill areas.

The respondent described us briefly the steps that are required for the order to take place. The customer orders either through telephone or through the company's website. A mobile application is not available yet. The minimum order cost is established at 7 euro with no extra delivery cost. The delivery takes place between 9:00-3:00 and is carried out within 40 minutes. The delivery date could be predetermined by customers' wants and needs days before.

Regarding the competition the interviewee mentioned that of course competitors are expected to imitate this business model in the years to come with the form of exclusively online stores. Competition is also expected from foreign supermarkets chains, which consider the Greek retail context as a prosperous one, thus it's worth a shot.

Interviewee 2. The respondent is male, and he is an upper level manager of AB Vasilopoulos SA, in Athens. (Full answers may be found in [Appendix 4 – Interview Responses](#)) Due to his position he influences a lot the company's strategic decisions, so he has also a deep knowledge of the operations.

The AB Vasilopoulos invest a lot in the customer's satisfaction, using tracking tools to measure it. It was ranked between the 2 top companies that offer superior customer satisfaction. The reasons are the high quality products, superior services, wide variety of products and good discounts. They attract new customers through new stores opening on the grounds of proximity, as well as through promotion. The main difficulty of the firm is to combine the different and complex concept, products, stores, operations. Regarding the use of discount he stated that *“the 1/3 of the customers continually searches for offers”*. Thus, even the national brands necessarily diminish their products' prices.

The interviewee stated that the incorporation of technology in the firm takes place mainly in the internal environment and for managerial purposes. Some indicative uses are the data mining for identifying better the customers' needs as well as space and inventory management technology. As far as the online facilities concern, the firm offers them only in some regions in Athens, people can order only through their website and the delivery is realized between 4 and 6 hours. Customers are not so interested about it; consequently the number of orders is negligible. At the same vein, the 24x7 shops, established through a partnership with some gas stations, haven't been created in order to cover a particular need, thus their sales are low.

Discussing about the future and the online supermarkets, he considers that the physical stores will never be absent. The shopping experience is a complex procedure based on social, economic and emotional aspects. AB Vasilopoulos will never become exclusively online because the delivery problems can't be avoided. So the online supermarket can't dominate the field, on the contrary hybrid businesses may take some advantage. The reason for which they don't promote their online facility is that it is not their main focus, it addresses only to a restricted target group. As a result, negative impacts

on the physical stores haven't been notice because of the online operation. He supports that the physical stores will survive and dominate forever.

The company's management in the future will focus on offering of personalized services and good relationships with the customers. The macroeconomic environment plays a pivotal role in the company's evolvement. Nowadays, the economic crisis has negative impact on the industry's profitability, but given that it covers basic needs, the losses are extremely smaller than those of other fields. As the interviewee declared «*The main challenge will be to offer high quality services within a so pressing environment*».

5 BUSINESS PLAN

5.1 EXECUTIVE SUMMARY

This business plan deals with the development of an online supermarket in Greece. First of all, we spotted an increasing preference in online shopping all over the world. The online aspect has been introduced in all industries. We identified that people tend to seek more and more for convenience as well as low prices. Information emerging from our questionnaire, offers significant information about consumers' attitude towards online shopping. The main reasons people chose it are the price comparison, products variety, lack of time and better prices. Abroad the online shopping has been exploited already by supermarkets. Offering their services online can satisfy all people who encounter disabilities or lack of time problems. Specifically in UK, US and Scandinavia online supermarkets facilities have been successfully established. Unfortunately, in Greece this innovation hasn't still been occurred.

We plan to establish an exclusively online supermarket, named "click& go" available 24x7 in Thessaloniki area. Its launching is estimated at October of 2016. The main amenity that will provide is the convenience. Supermarket products can be found everywhere but not at customer's door. Its operation as exclusively online will reduce significant the operational costs. The main reason is that our infrastructure need is only a headquarter, with the form of a warehouse, placed in Port of Thessaloniki region. In this way we can save the amount of money that would be required in order to rent stores into the town. Also the poor design of the warehouse is also a saving money parameter. The saved money will be beneficial both for us and our customers, because part of this money will leave us higher

profit margin and the remaining part will be exploited by the customers with the form of lower prices. The team that we need for this action should include people creative, with team working spirit, excellent communication /multitasking/collaborative skills as well as reliable and consistent personalities.

Until now, we have conducted a research approaching both our potential customers and our competitors. Consumers were called to fill out our questionnaire through which we grasp their preferences toward the supermarkets. For instance, most of them choosing a particular store seek for convenience, low prices and variety. On the other hand, interviews have been conducted with managers of the strongest competitive companies in the field, revealing us the way of operation of the digital aspect (if they had incorporated in their services) and general information.

Regarding the finance part, from a first estimation we need 1.500.000euros investment. The largest part is destined for buying inventories. The infrastructure requirements aren't high because we plan to operate only one warehouse store. The personnel requirements will be significant lower of those of a conventional supermarket. Large investment will be placed on our website as well as the mobile application because it is essential in order new customers to be attracted.

Through this business model, we will achieve to serve also people who are not able to reach a supermarket store, people who work a lot of hours and general people who seek for convenience. We will promote the innovation spirit and maybe we will inspire the individuals to incorporate the online aspect also in their business. In this way, we will contribute also to the social progress.

5.2 BUSINESS OPPORTUNITY

5.2.1 THE MARKET GAP

Lack of time combined with lower disposable incomes comprises the two main problems of the Greek consumers. The working hours tend to increase. The consumer patterns tend to change. People tend to seek for convenience, high availability and competitive prices. Unfortunately, innovations based on these problems haven't taken place yet, form the already existing supermarkets in order to cover customers' needs, combining solutions for these requirements.

5.2.2 THE OPPORTUNITY

On the one hand, the retail sector comprises one from the most significant and high competitive industries in Greece. The economic crisis it was inevitable to influence also this field, decreasing the customers' spending, with the average monthly supermarket purchases to be estimated at 262€ in 2014 reduced by 9.7% compared to 2013, and by 21.1% compared to 2012 (ICAP, 2015). The total turnover at 2014 reached the 11.000.000.000€. According to the national statistical service of Greece, the retail trade turnover index for July at 2015 has decreased by 8.7% from the July of 2014 and 7.7% from the June of 2015. (Please see Appendix Graph 4) But, information emerging from the interviews conducted by us, indicates that even if the economic crisis has severe repercussions for most of the industries, business related with the basic nutrition are the less influenced. Optimistic feature comprises that the general index of employees in the retail industry and specifically in food stores, in Greece for the second trimester in 2015 has increased by 3.4% in comparison with the second trimester of 2014. In comparison with the first trimester of 2015 the general index of employees in food stores for the first trimester of 2015 has increased by 1.2%. (Please see Appendix Graph 5).

On the other hand, the online shopping comprises an emerging trend in our country. Data from Statista verified that Greece is the second fastest-growing country in Europe for B2C online sales with more than €3 billion turnover. According to the sample that filled out our questionnaire the 95.8% of the respondents has purchased online, the 81.9% buys through PC and 13.3% through mobile phones. The percentage is high enough and indicates that the online shopping came to stay. Especially, the entrance of EFT (Electronic Fund Transfer) in the Greek context, that is planned to take place soon, will influence positively the development of e-commerce.

Some supermarkets such as AB Vasilopoulos and Marinopoulos made a first attempt to offer also online facilities but they haven't invested high in this feature. As Convert Group eBusiness consulting refers, the online shopping will comprise competitive area for the domestic supermarket chains. It is estimated that in 5 years from now the online purchases for supermarket products will reach the 380.000.000€. ¹⁶

¹⁶<http://www.euro2day.gr/news/economy/article/1326980/ston-dromo-toy-online-shopping-kai-ta-super.html>

5.2.3 *THE SOLUTION*

Influenced by the two conflict trends, on the one hand a quite decrease in the supermarket sales, because of the economic crisis, on the other hand a significant room for combining supermarket products and on line shopping, we propose the development of an exclusive online supermarket. As exclusively online players we will focus only to one feature. On the contrary our competitors which offer also physical stores will have to deal with two different channels.

Both of us, ready to start, having conducted surveys we managed to identify the key success factors, the customers attitudes and expectations as well as to gain important knowledge for this particular field.

5.3 SERVICE DESCRIPTION

The “click n’ go” is a new type of on-line super market planned to be developed in Thessaloniki. The idea behind this is that it will offer all the products exclusively electronically at any time. Customers will place their orders on line, determining the time of delivery and the “click n’ go” will transfer the order. The infrastructure includes only a simple designed warehouse and customers will not be allowed to enter the building. When someone put an order, the order coordinator records the request; he passes the order list to the warehouse employees who are responsible to construct the basket. When the basket is ready, the distributors are called to transfer the basket in the customers’ preferable place.

Regarding the location, we speculate that the most appropriate location is somewhere near but not into the city center. Following this thought, we decided to establish the headquarter, near the port of Thessaloniki. Consequently, we will manage to keep the rent cost at the minimum possible but simultaneously we can have an easy and quick access both in the town and the peripheral road. The West and Central regions will be serviced using the central routes; the eastern regions will be approached through the peripheral roads in order delivery delays because of congestion to be avoided.

The personnel will be locals, something very important because the unemployment rate is high enough, so through this investment we try to boost the local economy. Our target group is very wide, given that everyone can take advantage of this service. We will focus more on ages between 18 and 50 years old, because they are much more familiar with

the on line purchases, but they can order also on behalf of others. So everyone is a potential customer.

The value added is that we will offer something that doesn't exist in the marketplace. This is, a convenient way of shopping, 24x7 supermarket services and lower priced products, Furthermore, we will contribute also to the society, combating to mitigate problems such as the unemployment.

Our mission is to provide a convenient shopping experience for buying supermarket products, by offering high quality services; competitive prices. Our vision is to become the number one supermarket initially in Thessaloniki and later on in other cities. In addition our aim is to establish a strong brand name by offering the most interactive buying environment and taking care of our customers' time and money. The strategy that we plan to follow in order to achieve our goals is a combination of cost leadership and service differentiation. The goal revenue for the first year of operation is 2.000.000€ and the net profit to reach 1.500.000€

In our short term goals are included:

- The first 5 years we expect to gain 15% of the market share
- Expansion in other large Greek cities
- Keep at bay potential competitors
- Keep tight control of costs and quality
- Keep number of complains in minimum

In our long term goals are included:

- Worldwide expansion
- Selling franchise opportunities
- Be the first choice of customers
- Continually innovative changes
- Enter in other industries
- Build customer loyalty

5.3.1 VALUES

As core values are defined the fundamental beliefs of a person or organization. The core values are the guiding principles that dictate behavior and action. Core values can

help people to know what is right from wrong; they can help companies to determine if they are on the right path and fulfilling their business goals; and they create an unwavering and unchanging guide.¹⁷

Based on the above, our values are the followings

- **Teamwork:** we meet our challenges, problems and opportunities as a team, focused on common targets.
- **Respect:** our behavioral pattern both in external and internal environment (colleagues, customers, suppliers, vendors) is based on values such as respect and dignity.
- **Dedication:** all of us we want to work our fingers to the bone to improve our everyday performance.
- **Responsibility:** holding ourselves responsible for delivering superb results.
- **Passion:** we feel that the firm is part of our life and not only a job. Thus we execute with happiness and dedication the tasks.
- **Innovation:** each and every technological breakthrough related with our business will be exploited.
- **Loyalty:** We remain loyal at our mission, at the provision of high quality services to our customers.

5.3.2 *LEGAL FORM*

For the first year the firm will start its operation as a startup company. Given that it meets the criteria in order to be considered start up:

- High growth rate is expected
- Innovation is the dominant feature
- Technological oriented firm
- Large target group (in order to achieve rapid growth)¹⁸

In this way we can take advantage of the favorable tax rates. After the first year of operation the firm will continue its activity as a limited liability company, in order to limit our personal liability for business debts and court judgments against the business.

¹⁷<http://examples.yourdictionary.com/examples-of-core-values.html>

¹⁸<http://supportbusiness.gr/financial/companies-legalforms/118-ksekinwntas-th-dikh-sou-epixeirhsh-oles-oi-nomikes-morfes-epixeirhsewn>

5.3.3 PURCHASING PROCEDURE

Initially we have to develop a user friendly website and a mobile application. Our website will be divided in product categories in order the selection of items to be easy and fast. The daily offers will pop up in the initial page of the website in order everyone to take advantage of them. Consumers will have to sign up in their first visit, saving basic information such as name, address, credit card number and telephone number in order to save more time in their future purchases. Every time a consumer browses our website he will only have to log in, place the order and determine the delivery hour. In his profile there will be history of the orders so as to save time next time. The delivery minimum hour will be at least 30 minutes after placing the order. Regarding the orders placed between 23:00-7:00 an extra 3 euro tariff will be imposed. The order minimum amount is 40 euro.

5.3.4 “CLICK N’ GO” VALUE CHAIN



A conventional super markets value chain is the following. Reach the store → take the basket → walk in the corridors → wait in the refrigerators/ butcher shop → revise the basket → wait in the cash desk's queue → pay → go back to home. The obvious conclusion to be drawn is that the value chain of the “click n’ go” is significant smaller in steps as well as has lower time requirements than this of a conventional supermarket.

Drawback of this business model comprise the fact that the business model cannot be protected, using some kind of patent so the imitation is inevitable. This kind of business has been successfully applied abroad. For instance the US online grocery shopping, as data retrieved from Statista mention, has increased from 6 to 6.5 billion between 2012 and 2013.¹⁹ Moreover, in Spain an increasing trend in the e-commerce revenue value from the sector of hypermarkets, supermarkets and grocery stores has noticed, the 4th quarter 2014 it reached the 80.219.3 thousand euro, approximately 10.000 more than the 4th quarter of 2013(Please see Graph 6).

¹⁹<http://www.statista.com/statistics/293707/us-online-grocery-sales/>

As [Graph 7- Online Grocery Value](#) in Appendix presents, the largest online grocery market is China market and the second the UK market. The Chinas online grocery value reaches the \$41billion for the 2015 (approximately 35.84 billion euro), and forecasts expect significant increase reaching the \$178billion (155.58billion euro) in 2020. UK is the second more prominent online grocery market, with 1 out of 3 customers to shop online their groceries. Specifically, in 2015 the online grocery value is \$15 billion (approximately 13.11billion euro) and is expected to reach the \$28billion (19.23 billion euro) in 2020. Even in Greece, as IELKE mentions, it is estimated that 1 out of 5 customers (approximately the 3% of the population) buys the groceries online, this numbers is expected to increases within the next years.

The obvious conclusion to be drawn is that the acceptance of the online supermarkets has successfully taken place abroad. Thus, we consider it a trend that sooner or later will hit also our country.

5.4 MARKET AND COMPETITION ANALYSIS

5.4.1 *COMPETITION IN THE SUPERMARKET SECTOR*

The supermarket sector comprises one of the strongest and most durable sectors of the Greek economy that manages to survive despite the economic difficulties. According to a research conducted by ICAP group, the total sales follow downward path reaching the 11 billion in 2014. The competition that prevails in the industry constantly scratching, pushing companies to constantly seek new development strategies so as to survive.

The largest supermarket chains have a presence in almost all regions. In 2014 the 11 largest chains in the industry (based on turnover) operate a total of 2,080 stores throughout Greece. Attica collects the lion's share, with 37.2% of all branches followed in second place Central Macedonia with 24.2%. The number of firms operating in the sector remains high, despite the fact that in recent years several companies were led to the withdrawal or taken over by large supermarket chains. Competition between companies is very strong especially the last five years due to the economic situation which has reduced consumer spending.

5.4.2 *ECONOMIC DATA FOR THE SUPERMARKETS*

According to a research conducted by IRI the total turnover in the food retail trade declined in 2014 compared to 2013 by 3.05%, standing at 9.2 billion euro from 9.49 billion in 2013. The only category, however, which recorded growth turnover in 2014 compared

with 2013, is that of discount supermarkets (in essence the Lidl, as in the Greek market no longer operates another hard discounter). According to data from the IRI, the turnover in this category amounted to 1.268 bn. Euro from the 1,241 billion Euros in 2013, indicative of the shift of consumers to cheaper markets. The turnover in supermarkets reached in 2014 the 7.47 billion euro, higher than the 7.77 billion in 2013, declining by 4.04%, while the decrease in turnover in the mini market was around 2.11%. The point of the essence here, is that the lower disposable incomes provoked lower supermarket sales, but in the case of the discount stores, the sales increases. A hard Greek discounter doesn't exist, so this gap will be covered from us.

5.4.3 INVESTMENT ON ADVERTISING

The total advertising spending of the firms through the media industry (TV, newspapers, magazines and radio) after the reduction in 2011 was 23%, recorded a significant increase in the next three years, and amounted to 76, 7 mil euro in 2014 from 19.1 mil euro in 2011. This practice used from the competitive companies to maintain their market share.

5.4.4 THE EFFECT OF CONCENTRATION

Important trend for the sector comprises a tendency for acquisitions. The economic difficulties forced many companies to change hands in order to survive. Specifically, during 2014 seven retail chains and 241 stores in the category of supermarkets and wide of consumer goods changed hands. The market concentration is verified by the IRI's research, which identifies that, the number of supermarket stores and super-markets from 2,520 in 2010 reached 2,440 in 2013, while discount stores in the industry from 515 in 2010 fell to 207 in 2013 and the number of mini markets fell by 1.352.

5.4.5 THE USE OF DISCOUNTS

According to data retrieved by IELKA, The amount of 749 mil euro reached in 2014 the value of the product offers, provided from the supermarket and suppliers, while in 2013 it was 683 mil euros. In 2014 the percentage of sales through offers to standardized foods was 29% from 23% in 2013, while fresh food sales rate through discounts approaching 1/4 of the total, 23% in 2014 from 19% in 2013. In the non-food -and mainly in detergents and personal hygiene items the percentage of sales through offers amounted to 43% in 2014 against 36% in 2013. On average consumers save approximately 19% more money thanks to promotions. The fact that more and more products are on offer consolidates a certain

trend in the consumer behavior, that more and more consumers are choosing products and supermarkets on the basis of tenders. For this reason the discount stores noticed a growth rate.

5.4.6 MARKET SHARE

The leader company in the sector is Marinopoulos, holding the 24.5% of the market. AB Vasilopoulos follows holding the 21% of the market and then LIDL with more than 10% market share. The above table describes the market share, the turnover as well as the number of stores of the largest chains.

Η ΑΚΤΙΝΟΓΡΑΦΙΑ ΤΩΝ 5 ΜΕΓΑΛΩΝ ΣΟΥΠΕΡ ΜΑΡΚΕΤ (ΠΡΙΝ ΤΟ DEAL ΒΕΡΟΠΟΥΛΟΥ- ΣΚΛΑΒΕΝΙΤΗ)			
ΟΜΙΛΟΣ	ΤΥΡΙΟΣ	ΜΕΡΙΔΙΟ ΑΓΟΡΑΣ	ΚΑΤΑΣΤΗΜΑΤΑ
ΜΑΡΙΝΟΠΟΥΛΟΣ	2,1 δισ.	24,5%	1.023
ΑΒ ΒΑΣΙΛΟΠΟΥΛΟΣ	1,8 δισ.	21%	281
LIDL	1,5 δισ.	> 10%	222
ΣΚΛΑΒΕΝΙΤΗΣ	1,2 δισ.	11%	110
ΒΕΡΟΠΟΥΛΟΣ	600 εκ.	7%	280

In general, there is a tendency the market share to be concentrated in the hands of the few and the powerful. Highlight of this procedure constitutes the «forced» deal between Sklaveniti- Veropoulos, Sklavenitis is expected to acquire Veropoulos, and together they will control 18% of the market with a network of 342 stores and a turnover of 2 billion euro.

In our case our target is within the 5 years to capture the 15% of the market share. Having conducted our analysis, we understood that the only growing kind of business is the discounters. Additionally, the remaining businesses tend to spend a lot in promotion activities and offers as way to maintain their market share. Thus, we concluded that the only way in order to survive as well as to reach a high market share is the discount and the offers. For this reason, part of our combined strategy will comprise the low cost component. Offering the products in discount is the only way to keep our consumers loyal and satisfied. Tool that for sure will be used in our effort is the franchise opportunities. If we will not sell them we cannot reach the whole Greek market and we will operate only in Thessaloniki. Consequently, the 15% of the market share as requirements includes the franchising.

5.4.7 ANALYSIS OF THE EXTERNAL ENVIRONMENT

5.4.7.1 Pestel Analysis

Using the PESTEL analysis we spot a list of influences that will play some role in the successful or unsuccessful outcome of the business.

❖ **Political:** Several factors of government policies influence business. In Greece, the political instability adds a risk factor and may lead to a major loss. Thus, firms should be able to deal with the local and international aftermaths of politics. The most prevalent concern is the taxation. Harsh taxation will provoke negligible earnings. The political changes are impossible to be forecasted. Most common political parameters that influence the business are: bureaucracy, corruption level, tariffs, trade control, legislation, government stability, taxation.

❖ **Economic:** The Greek economy doesn't seem to recover from the crisis and according to the national statistics; in the second trimester of 2015 the unemployment rate reached the 24.6%. [Graph 2](#). Almost half of the unemployment refers to the ages between 15-24. [Graph 3](#) The turnover in the retail industry for July of 2015 was decreased by 8.7% from the previous month. This indicates that the economic severity has an adverse impact on the retail industry's profitability [Graph4](#)

❖ **Social:** According to the findings aroused from the questionnaire we observed that the supermarkets comprise a way of entertainment and socialization. But there are a large number of social factors that affect the buying process. Indicative examples are the educational level, the lifestyle, buying habits, social classes, family size and structure, attitudes towards products and attitude towards customer service and product quality.

❖ **Technological:** The retail industry is one that lives and dies on margins, with managers on a never-ending quest to increase revenue and decrease costs. Technology has been an area of intense focus in retail industries as a way to accomplish both goals. Improvements have been made in areas such as supply chain management, inventory management, customer experience, and loss prevention. Wireless technology has a number of innovative uses in retail that can improve operational processes, improve the customer

buying experience, give better visibility for management into store operations, and ultimately improve the bottom line.²⁰

❖ **Environmental:** The rising environmental awareness of retailers is stems from their effort to respond in ways that make customers feel better about their purchases. For example, AB Vasilopoulos has invested on recycling, construction of green stores, photodegradable bags, ecological reusable bags as well as photovoltaics.

❖ **Legal:** The antitrust, consumer, discrimination, employment, health and safety law have direct impact on the companies' operation, specifically on issues such as costs and demand for products.

5.4.7.2 Porter's five forces Analysis

Using this analysis we identified the industry's attractiveness for making business. First of all, we present the summary of the five forces:

- ✓ Rivalry among competitors: High
- ✓ Threat of New Entrants: Low
- ✓ Threat of Substitutes: Moderate
- ✓ The Bargaining Power of Suppliers: Low
- ✓ The Bargaining Power of Buyers: Moderate

Rivalry among competitors: In this particular sector the competition between companies is extremely high mainly in the last 5 years. The economic crisis decreased the customers' spending, with the average monthly supermarket purchases to be estimated at 262€ in 2014 reduced by 9.7% compared to 2013, and by 21.1% compared to 2012 (ICAP, 2015). Tools such as special offers, often discounts, aggressive promotion and extra services are used from the competitors, trying to maintain their market share.

Threat of new entrants: We came to the conclusion that the threat of new entrants is quite low because there is high competition level and high level of market share concentration among supermarkets. Furthermore, capital requirements are huge in order to establish a new born company in this industry, given that properties, development of distribution channels as well as large amount of inventories are necessary. These

²⁰http://www.arubanetworks.com/pdf/technology/whitepapers/wp_Retail_advances.pdf

requirements make also the barriers to exit very strong. Moreover, during our empirical analysis, we were informed that the most difficult task for a new entrepreneur is to construct relations with the suppliers. In addition, the always existing number of supermarket stores is large and can be found in every corner, so there is negligible room for running new business.

Threat of substitutes: Even if the threat of substitutes abroad is high, due to the operation of supercenters and warehouse clubs, in the Greek context this force is characterized as moderate. Prevalent reason is the good relationships between customers and small store owners, who offer convenient way of payments. No matter what the context is, the e-grocers are an advancement that may alter the way consumers shop for groceries.

Bargaining power of suppliers: The bargaining power of suppliers is relatively low. There is a high competition between suppliers so their ability to raise prices or reduce quantity is very low. Suppliers include both domestic and international manufacturers and because many retail products are standardized, retailers have low switching costs which make the supplier power low. Larger retailers have power over their suppliers because they can threaten suppliers to change to different suppliers which would significantly hurt the suppliers because of their great market share. Furthermore larger retailers can vertically integrate with suppliers they are having trouble cooperating with.²¹

Bargaining power of buyers: It is generally not the case that you can negotiate the price of milk at the store. While coupons or buying items on special allows the customer to pay reduced prices, there is little the customer can do to alter the selling patterns of the grocery store.²² On the other hand, supermarkets should be flexible to their customers needs, given that supermarkets put significant effort to maintain their market share, providing hard discounts, private label products, intensive promotional activities and VAT's absorption.

The shortcoming here is that the rivalry is very high and we can't use some kind of patents or licensees in order to protect our business model. So everyone can imitate it. From the already existed competitors, we are not afraid. They have invested huge capital in the physical stores; people have connected their brand with the store presence, so they will

²¹<http://www.studymode.com/essays/Porters-5-Forces-Of-The-Retail-1526461.html>

²²<http://analystreports.som.yale.edu/reports/grocerystores.pdf>

never shift their attention to an exclusively online solution because it hides many risks. So the money that we expect to save from the operational costs can't be saved also by them. Regarding the entrance of the new competitors, even if it considered low, it is inevitable. But we will have the first mover's advantage, so we will have again the edge.

The most serious threats for the industry arouse from the macroeconomic environment. If the Greek economy will not be stabilized, a state of uncertainty will prevail. This fact supported also by managers who gave us interviews. They consider that the macroeconomic variables play the most crucial role in the evolvement of the industry. For example, potential capital controls may hinder the imports. Another illustrative example is the changes in legislation; if the basic salary is diminished the consumers' expenses will be lower or if the taxation increases the profit margin will shrink.

5.5 MARKETING PLAN- MARKETING STRATEGY

Marketing is more than just an advertising project; it should provoke revenue for the business.

5.5.1 MARKET SEGMENTATION

The segmentation of the market is essential for every company in order to curtail the costs by targeting only to a specific group of people, to identify potential new markets, to enhance the product/service development as well as to maintain the business focus.

Geographic:

- Initially Thessaloniki area, and later on if franchising will be given, the geographic area will be expanded all over the Greece

Demographic:

- Individuals, no some standard income, given that we will cover basic needs supermarket are used from anyone.
- 18-50 years old, familiar with online shopping
- Individuals who works a lot or who have disability problems

Psychographic:

- People who embrace new technologies
- People who find favor with online shopping

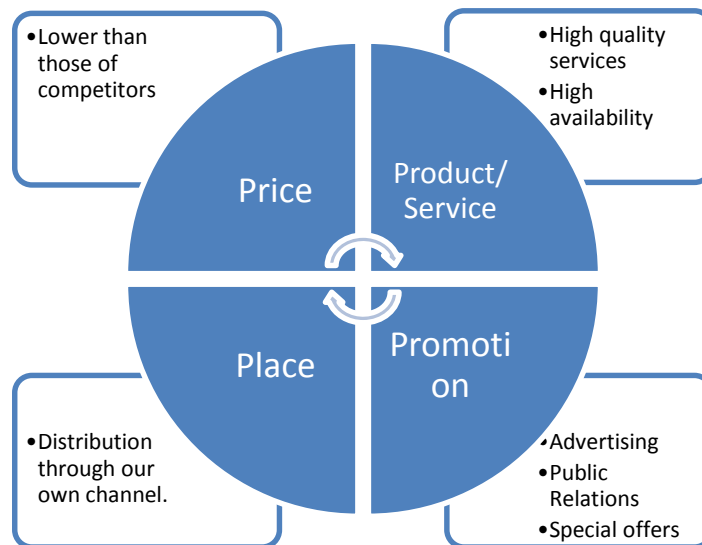
- People who find the visit in the supermarket boring or tiring procedure

Behaviouristic:

- People that would present themselves as “innovators” or “early adopters” and display intense behavior in being the first in trying new services.
- People who tend to forget products in the supermarket procedure and when they need them feel disappointed from themselves.

5.5.2

PROMOTION MIX



5.5.2.1 Pricing Strategy

The pricing strategy that we plan to follow is the low cost. The diminished operation costs will leave us the room to offer in exceptional prices, maintaining also our profit. So the focus will be placed on the curtailing of the operation costs in order to be able to offer products in discount. Regarding our services, the delivery will be free for order of 40euro and above. A delivery tariff of 3euro will be imposed only for order placed from 23:00 to 7:00.

5.5.2.2 Product/Service

In essence, it is a bunch of services. Offering products and delivery we cover basic as well as convenience requirements. Even if the procedure is complex we will try to provide the best possible outcome. That means high quality products in exceptional prices and on time delivery. The delivery seems to be the most difficult task because problems such as congestion can't be forecasted.

5.5.2.3 Place

The “click n’ go” products will be available for sale on line. The basic distribution channel will be our delivery personnel, transferring the products to the customers. But in case of workload, trying to be consistent to the delivery time, we may outsource some of the deliveries to courier companies. ACS and SPEEDEX constitute potential partners, but they will be used only in case of emergence. We want to construct our distribution channels because the delivery personnel will be trained accordingly. Having knowledge about the products, keeping a positive and pleasant attitude toward the customer as well as be consistent they will manage to build a good relationship with the customers. On the contrary the courier’s personnel may be uninterested about the customers, or may deliver the products in delay.

5.5.2.4 Promotion

A wide variety of tools will be used for promotion.

Printed Media

- Brochures and posters will be used. The brochures content will be both interesting and informative, being supported with an appropriate image (a combination of a PC and a basket), and including a call to action (slogan just don’t think just click). They will be distributed in the most central city’s areas (Aristotelous square, white tower). Eye-catching posters will be placed in the highest buildings mainly in the entrance of the town in order to attract consumers’ attention.

- Advertising in the local newspapers and magazines will be realized. For example MACEDONIA, ThessalonikiPress, MakedonikesAggelies, Metrosport, iq Magazine, city 2310, About Thessaloniki and Sorbet (gastronomy magazine), comprise possible solutions.

- Advertising in the Public Transportation will be used. Collaborating with the OASTH we will put our ads in the buses.

Electronic Media

- Ads in local TV channels such as Thessaloniki TV, Egnatia TV, Europe One, TV 100, Vergina TV will take place. We will not advertise in larger channels such as ANT1

and MEGA because it is very costly and the result will be low, given that we will serve only the Thessaloniki's population. Our main focus is the cooking programs, where we maybe provide our products free of charge as a way for publicity.

- Ads in local radio shows couldn't be absent. Radio Thessaloniki, Panorama 984, Imagine 89.7 and Plus Radio will be our main partners.
- Internet will be also exploited for promoting reasons. On the one hand, ads and articles will be placed in the following sites:<http://www.epixeiro.gr/>, <http://www.neolaia.gr/>, <http://getbusy.gr> . On the other hand the social media and especially the Facebook as well as the blogs will be used.
- Coupons will also be distributed through local offering sites. Collaboration will take place between us and GoodDeals, Thessalonikimou and myfreecoupon. In this way, consumer will be able to take a coupon that can be used only for their first order and it will provide a discount of 10% for orders above the 50€.

Public Relationships

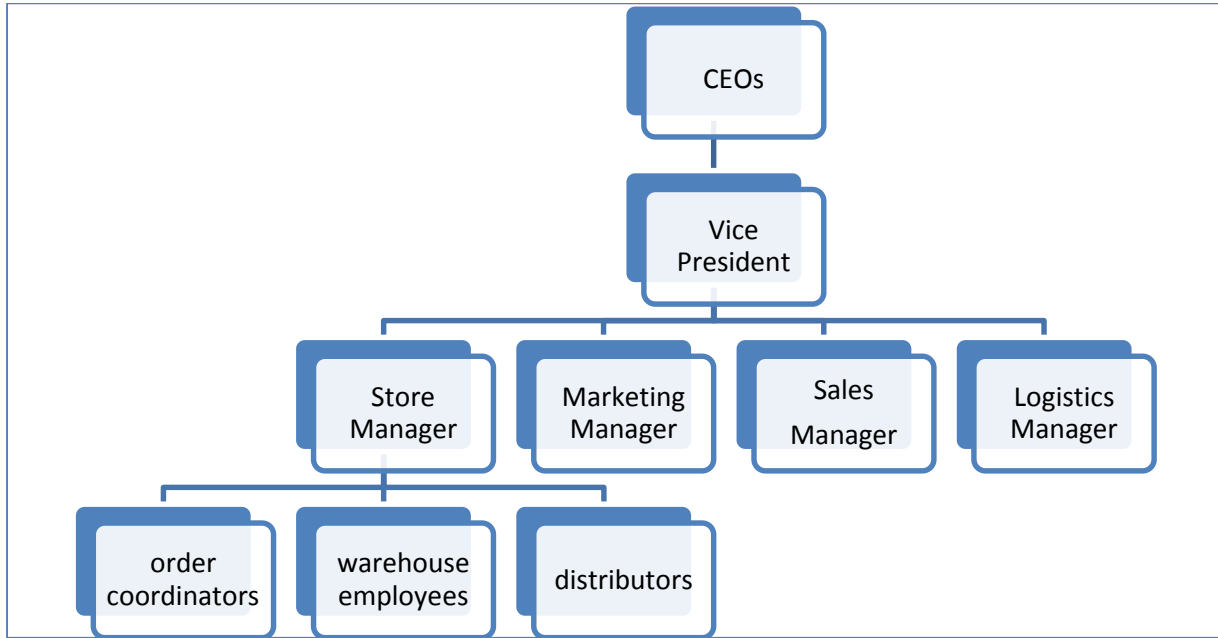
- Another strong option comprises the offering of our products in charities. In this way we will indicate that the firm has social awareness. The Smile of the child's actions comprises our priority.
- Strong tool constitutes also the mouth to mouth marketing. We hope that the content customers will promote our services in other potential customers. The sharing of a good shopping experience can provoke exceptional results for us.

5.5.3 CUSTOMER PERFORMANCE

Customer performance indicators that are planned to use in order to measure customer performance are the customer satisfaction, the customer loyalty and retention. The customer satisfaction will be measured through a feedback area in our website by assessing their shopping experience. Regarding customer loyalty and retention we will offer after sales support and extra services such as recipes, cooking tips, loyalty cards with discount bonus and lotteries.

5.6 BUSINESS ORGANIZATION

5.6.1 ORGANOGRAM CHART



The organizational structure will have 4 levels. The main responsibilities of each level are described minutely in [Appendix 6- Main responsibilities](#)

The required skills for each position as well as the skills gaps are presented in detail in [Appendix 7 - Skills Requirements and Skills Gaps](#)

5.6.2 HIRING PLAN

5.6.2.1 Staff Requirements

Personnel	Morning shift(6:00-14:00)	Afternoon shift(14:00-22:00)	Night shift(22:00-6:00)	Total needs
Store managers	1	1	1	5
Order coordinators	2	2	2	8
Warehouse employees	4	4	2	12
Distributors	6	6	4	18

In every position will be hired two additional individuals than the daily needs because they will need also some days off. There is also need for two CEOs one Vice president, one sales manager, one logistics manager and one marketing manager. The total initial workforce is estimated at 49 individuals. We plan to keep this number for the first six months and later on we adjust it in accordance with the workload.

5.6.2.2 Strategic Partnerships

The following list presents the main partnerships that we plan to establish.

- Farmers: in order to provide us with fresh products
- Smile of the child: giving products in sponsorship
- Eurobank: creating loyalty cards that will award our customers
- Shell: reaching some shopping points, coupons will be given to our customers that will be used in Shell's gas station

5.6.2.3 Geographic location

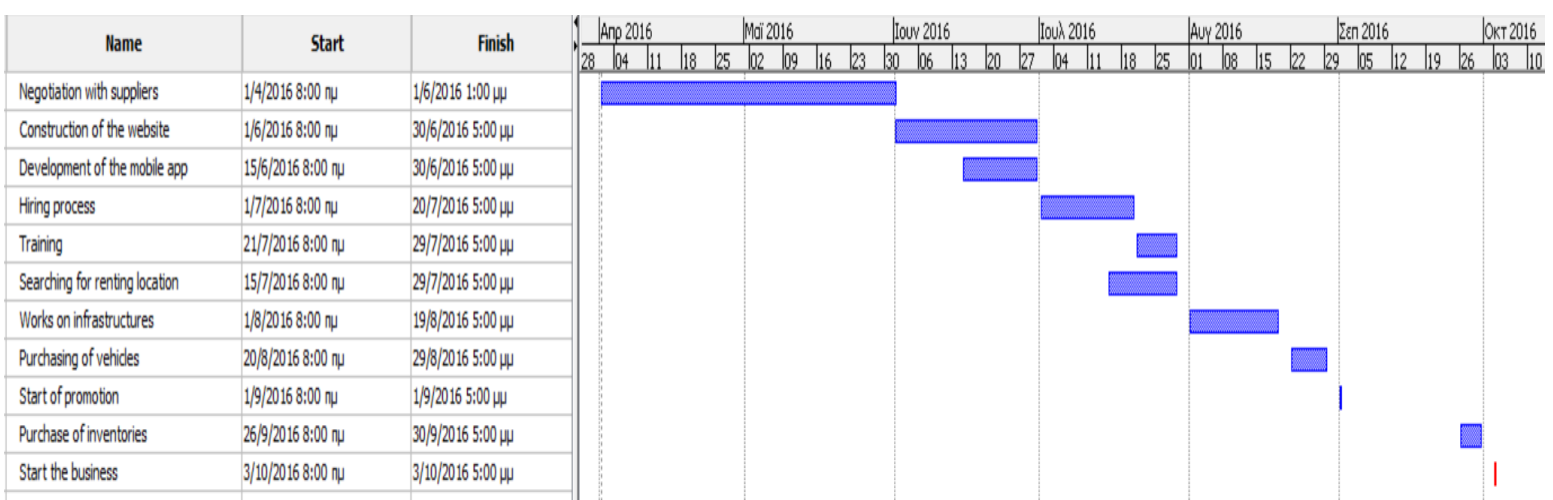
Initially, we plan to run our business only in Thessaloniki area, operating one warehouse. In this way, we will manage to keep tight control of the costs and operations. After the first year of operation we want to participate in the KEM Franchise Exhibitions in order to present our business model and to attract potential investors. Selling franchise opportunities we will plan to expand our business all over the Greece.

5.6.2.4 Facilities

We need to rent a building of 400sq meters which will be divided in two parts. The largest part 320sq meters will be the warehouse and the remaining 80sq meters will accommodate the offices. From a first research conducted with the aid of the real estate company 'MesitikiAkinitwn' we estimated that the rent will reach the amount of 600euro.

5.7 IMPLEMENTATION PLAN

5.7.1 MILESTONES



5.7.1.1 Negotiation with suppliers

The first step is to build strong relationships with the suppliers. This is the most difficult and time consuming task given that we will offer 12.000 products. We have to make strong negotiations with them in order to achieve low prices as this is very crucial for us. We estimate that 2 months are adequate in order to make agreements.

5.7.1.2 Development of e shop and mobile application

What Best Describes You? <input checked="" type="radio"/> I need to hire a web designer. <input type="radio"/> I am a website designer. <input type="radio"/> I am a student or just doing research.	Admin Features <input checked="" type="checkbox"/> Photo Gallery <input type="checkbox"/> Manage Users <input type="checkbox"/> Database Reports <input type="checkbox"/> Traffic Statistic Reports	Copy <input checked="" type="radio"/> I will add copy myself. <input type="radio"/> I will supply <input type="text" value="1"/> pages of typed content. <input type="radio"/> I need <input type="text" value="1"/> pages of copy written.
Basic Website Needs <input checked="" type="radio"/> I need a brand new website I can edit myself. <input type="radio"/> I need a total revamp of my current website. <input type="radio"/> My website needs minor changes and updates.	SEO <input checked="" type="checkbox"/> MetaTag Keyword Optimization <input checked="" type="checkbox"/> Search Engine Submission <input checked="" type="checkbox"/> Minor Link Building <input checked="" type="checkbox"/> Major Link Building <input checked="" type="checkbox"/> Press Release Submission <input checked="" type="checkbox"/> Press Release Writing	Public Features <input checked="" type="checkbox"/> Member Registration <input checked="" type="checkbox"/> Responsive Design (Mobile Friendly) <input checked="" type="checkbox"/> RSS News Feeds <input checked="" type="checkbox"/> Google Maps Integration <input checked="" type="checkbox"/> Contact Form <input checked="" type="checkbox"/> Site Search <input type="checkbox"/> User File Uploads <input type="checkbox"/> Google AdSense Integration
Graphics <input type="checkbox"/> I will supply web-ready images. <input checked="" type="checkbox"/> I need custom graphics created for my website. <input checked="" type="checkbox"/> I need a slideshow, gallery or online portfolio. <input checked="" type="checkbox"/> I need catalog images edited and integrated.	Social Media <input checked="" type="checkbox"/> Twitter Integration <input checked="" type="checkbox"/> Facebook Page <input checked="" type="checkbox"/> Facebook App <input checked="" type="checkbox"/> Android iPhone App	Ecommerce <input type="checkbox"/> One page of products. <input checked="" type="checkbox"/> Database shopping cart <input checked="" type="checkbox"/> Credit Card Processing <input checked="" type="checkbox"/> PayPal Processing

The construction of the website will be outsourced to Hellasites.gr and it will cost approximately 3000 €. We will invest a lot in a user friendly e-shop because it represents company's profile. Social media services will be also acquired as well as mobile app.

5.7.1.3 Hiring process and training

As estimated, 1 month is required for hiring and training. From 1/7/2016 to 20/7/2016 we will interview candidates; vacancies will be uploaded in Kariera.gr and Skywalker.gr sites within June 2016. After the hiring, a training period will follow and it is planned to last 10 days.

5.7.1.4 Searching for renting location and infrastructure works

In mid-July, the research for the appropriate property will be outsourced to the real estate company 'Mesitiki Akinitwn' and it will cost 1000€. From a first discussion about a 400sq meter warehouse in thessaloniki's Port area, rents range between 480€-650€. Thus, we are willing to pay 600€ for rent. All infrastructure's renovation works needed will be

provided by the same company but the cost cannot be forecasted at this point. These tasks should have been completed until 19/8/2016.

5.7.1.5 Purchasing of vehicles

All 8 vehicles needed will be leased by Avis, cost is 300€ per month and by the end of August the task will have finished.

5.7.1.6 Starting Promotion

From 1/9/2016 aggressive promotion campaigns will take place. Within September all marketing tools will be used in order to inform everyone about the fore coming supermarket. One month is more than enough for the public to be informed as more time of exposure to our advertising could tire them. The cost is estimated to reach 200.000€.

5.7.1.7 Purchase of inventories

It will only take one week to fill up the selves as all negotiations and contracts have taken place earlier enough. From 26/9/2016 durable products will be acquired and the perishable will be introduced the last 2 days. At 3/10/2016 the business will start its operations.

5.8 RISKS

5.8.1 REGULATORY AND LEGAL RISKS

- Inflation risk: The purchasing power consumers' money may be diminished by inflation.
- Legislation risk: Decreases in the basic salary and pensions will be shrunk the consumer bargaining power. An n increase in the taxation or in VAT, will have adverse effect on the firm's profitability.
- Capital controls: They comprise serious threat because payments and imports will be hindered.
- Liquidity risk: We have to keep a large amount of cash in order to pay our suppliers. If we will not ensure this money, lack of available products will take place.

5.8.2 SERVICE DEVELOPMENT RISKS

The main risk of the service development is the possibility that it won't cover the customers' needs. For instance, some of them may find difficulties in placing the orders, or they may consider it a fraud and they hesitate to try it. In addition, delayed delivery of

products might constitute a severe risk as we consequently will lose customer loyalty. The safety of transactions could be a potential threat as hacker attacks are inevitable.

5.8.3 UNFAVORABLE INDUSTRY TRENDS

We are pretty sure that the already existing supermarket will imitate our model. We are afraid the possibility they will use more innovative ways or their strong brand name in order to attract customers. Possible threat is also the entrance of large supermarket chains from abroad, for example Tesco who will increase the competition.

5.8.4 MITIGATING PLANS

Regarding the customers' experience, we will build a strong marketing team which will be responsible for identifying new or upcoming trends, accepting regularly feedback and keeping customers aware as well as engaged. Regarding the safety of transactions all purchases with credit cards will be verified by Visa and all personal data will be under safety valves.

The macroeconomic environment can't be predicted. Thus, regarding the inflation as well as the VAT, if they are going to increase, we will try to absorb a part ourselves, shifting only a small proportion to our customers.

5.9 FINANCIALS

We plan to need 1.500.000 for renting an area, establishing one warehouse, equip it with products, construct a website, a mobile application, acquiring 8 vans, one server, ERP/CRM software and buy the products.

5.9.1.1 Personnel Cost

Personnel	Monthly earnings	Annual earnings	Total need	Total annual earnings
Store manager	1.000€	12.000€	5	60.000€
Order coordinators	900€	10.800€	8	86.400€
Warehouse employees	750€	9.000€	12	108.000€
Distributors	650€	7.800€	18	140.400€
Vice President	2.000€	24.000€	1	24.000€
Sales manager	1.500€	18.000€	1	18.000€
Marketing Manager	1.500€	18.000€	1	18.000€

Total cost				427.800€
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The CEOs will not have a standard monthly income. Their earnings will be based on their stocks.

From the Table it is obvious that the annual personnel payments will reach the 427.800 €. According to the Masoutis 2014 balance sheet²³, their personnel needs reached the 111.123.000€. It is obvious that we will take advantage.

	Cost year 1
Personnel cost	427.800€
Rent (600€x12months)	7.200€
Vehicles (300€x12monthsx8months)	28.800€
Advertising	200.000€
Website	3.000€
Server and hardware	5.000€
Real estate services	1.000€
Inventory	100.000€
Taxation(29%)	435.000€
Fuel cost	32.000€
Store requirements ²⁴	68.000€
Erp/Crm ²⁵	3.000€
Revenues	2.000.000€
Profit	1.500.000€
Profit after tax	1.065.000€

5.10 EXIT SCENARIOS

The founding team's aspiration is to realize an aggressive entrance in the supermarket field incorporating also the online feature and gain rapidly profit. The disadvantage is that it is a very particular type of company and alternative ways of development are absent. Thus, when our service will be saturated we will not have

²³<http://www.masoutis.gr/misc/notes2014.pdf>

²⁴3 Freezers of 6000€ and 5 refrigerators of 10.000€ will be acquired by <https://www.estiasi.com/>

²⁵ Erp/Crm acquired by <http://www.support-plus.gr/>

something extra to offer. As previously mentioned the more prevalent trend of the industry is the tendency for concentration. Mergers and acquisitions take place very often. The two leading companies Marinopoulos and AB Vasilopoulos seek always to absorb small or weak competitors. The obvious conclusion to be drawn is that when we feel that we have not something more to offer to our customers we will try to be sold. The expected acquisition value is 10.000.000€.

6 LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

Although our research has reached its aims, there were some unavoidable limitations. First of all, even if we have presented a full analysis of the history of supermarkets worldwide the business plan is about the Greek context only and especially for the town of Thessaloniki. The business model is adjusted for the needs of Thessaloniki, so if we examined other contexts the results might have been different.

In addition, in order to conduct our research primary data were acquired through questionnaires and interviews. This research dealt only with the retail industry and only certain variables were examined. A very important limitation regarding the questionnaires was the sample size which was 352 respondents aged between 18-50 years old and the survey took place between September 19 and September 29, 2015. Regarding the interviews for the purposes of this study we managed to conduct only two, the first with Mr. Stavropoulos, former manager and stakeholder of TheSupermarket and the second with MrSymeonidis, Business Intelligence Manager and Strategy Director of AB Vasilopoulos. Thus, the outcomes of the study cannot be generalizable to other sectors, or in the same sector in other countries.

Furthermore it should be taken into account the time limit that we had in order to conduct this study. The available time was three months, August until October so the research took place in a particular point in time. Regarding future research directions if potential similar studies in other contexts or in other sectors occur, a comparative analysis will provide us information with great scientific value. Last but not least, it would be very interesting to see future researches regarding the topic of examination with extended sample size as well as examining more factors and variables affecting the online grocery shopping.

7 CONCLUSION

The aim of the study was to examine the development of a new business model in the Greek supermarket retail sector. We started by identifying the basic trends and business model changes in every decade worldwide. Reaching the 21st century the dominant trend was proved to be online and mobile shopping. Taking a look at the foreign supermarket competitors, they already accommodate online facilities. In Greece large investments in e-supermarkets haven't been noticed and this fact urged us to conduct a survey using customers' opinion about the topic of examination. The 36.3% of our sample totally agrees that it will use the online supermarket; the 33.1% simply agrees that it will use it. It is obvious that more than 65% is in favor of the idea. The main reason that was supported by 72.2% is home delivery.

In order to examine the issue from the company's perspective, we selected to conduct interviews with managers that had controversial opinion about the topic. On the one hand, the first company is based mainly on e-services operating only one physical store and notices high profits through the digital channel. The daily orders are estimated approximately at 100-150. On the other hand, the second company declares that the on line supermarket services are not supported by the customers, because the visit in the supermarket has other benefits. Profits through their online operations are considered negligible. The obvious conclusion to be drawn, is that the online supermarket services comprise the bone of contention for the two parts.

According to our findings through our primary data collection, we verify the first manager claims, proving that the online supermarkets will be embraced by the customers. But, we propose it as a topic for further research.

Our intention was to provide a business plan about this kind of business. In this way, we try to present the model's attractiveness as well as some guidelines about its successful implementation. We are pretty sure that this kind of business will dominate the years to come so our research will be helpful for new potential entrepreneurs. We also consider that the most daring investor who will realize it first will take the main advantage. This is supported also by the one key critical success factor of the supermarket which is the first mover advantage.

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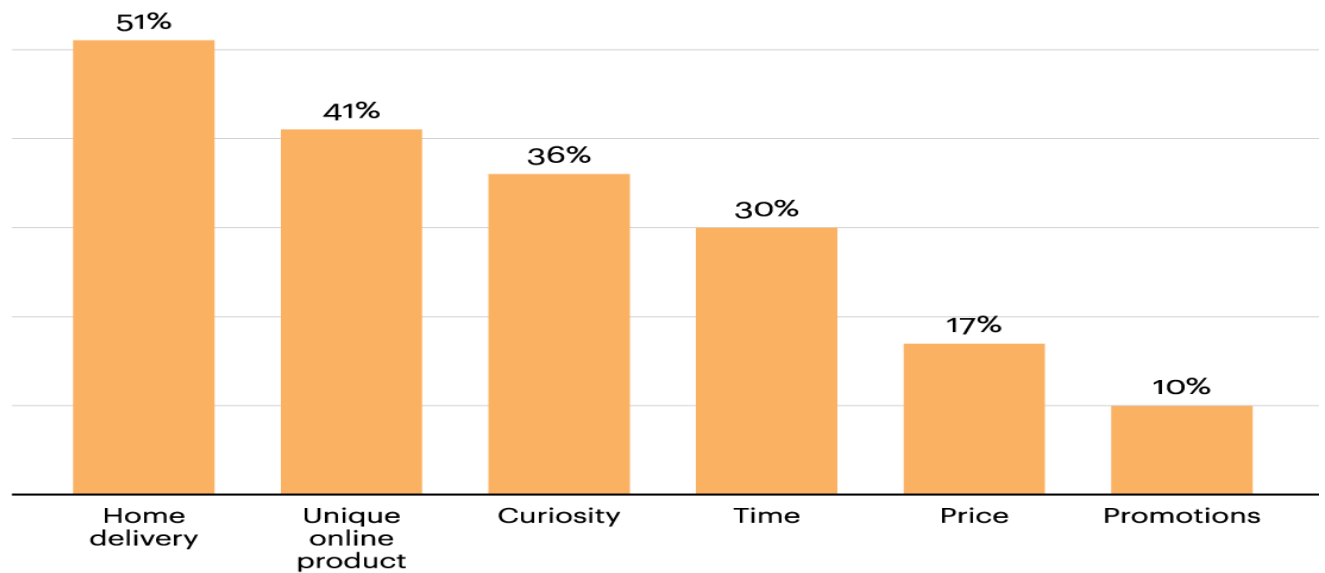
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73. <http://www.support-plus.gr/>
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9 APPENDIX 1

9.1 GRAPH 1-REASONS FOR ONLINE GROCERY SHOPPING

Why do people buy groceries online?

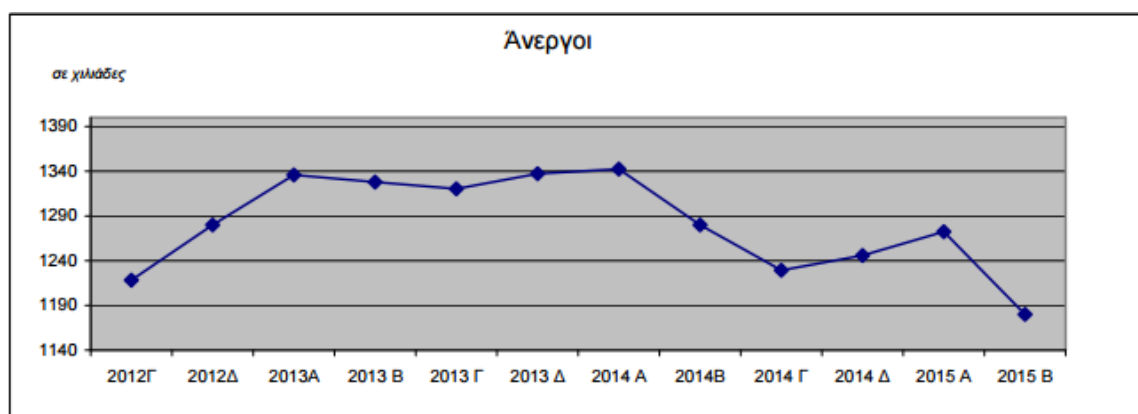
Study participants who have bought food online



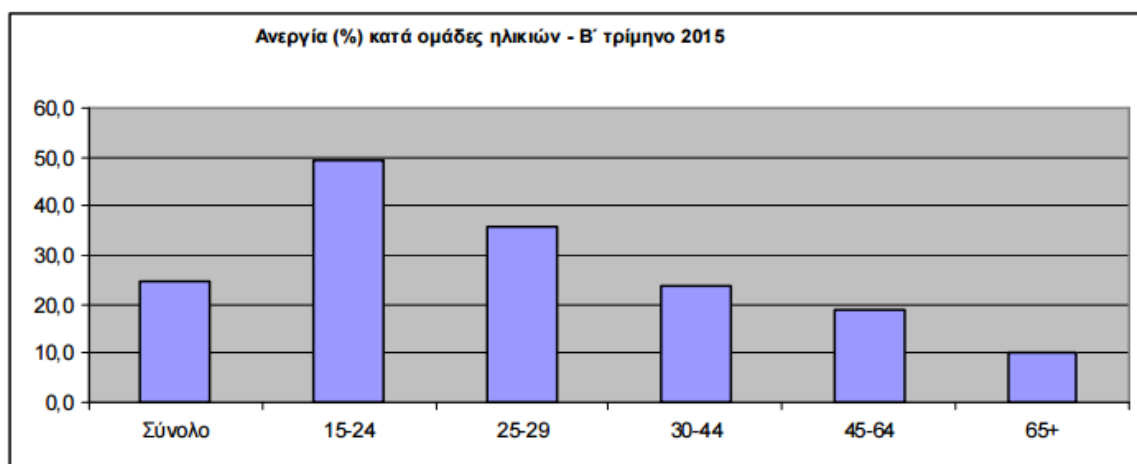
Note: Respondents were able to select more than one response.
Source: A.T. Kearney analysis

Source: https://www.atkearney.com/paper/-/asset_publisher/dVxv4Hz2h8bS/content/a-fresh-look-at-online-grocery/10192

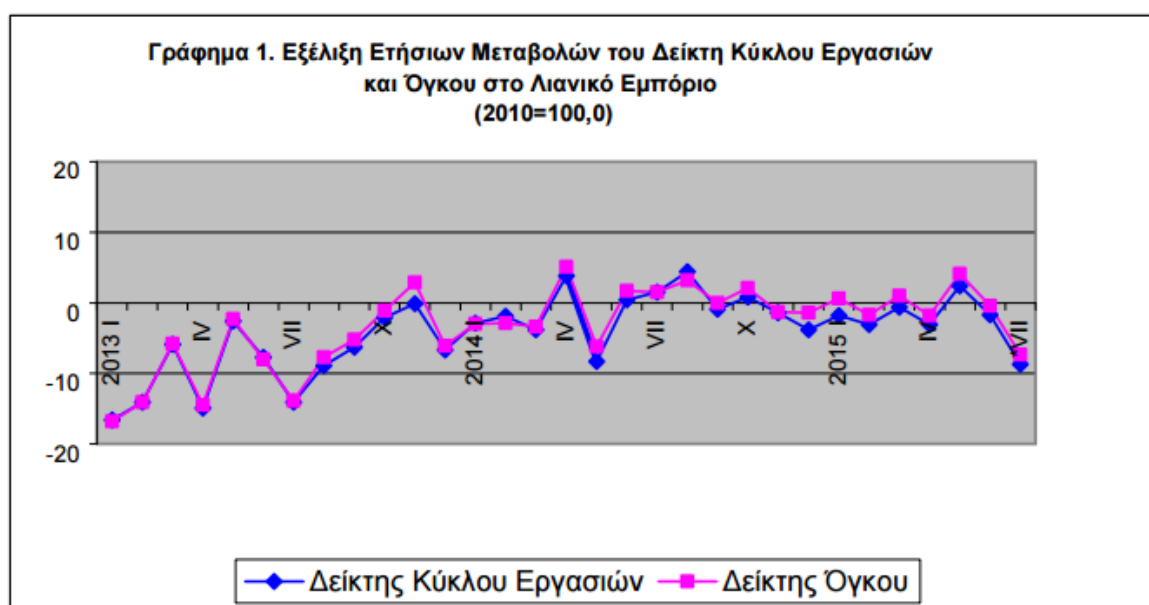
9.2 GRAPH 2-UNEMPLOYMENT (IN THOUSANDS)



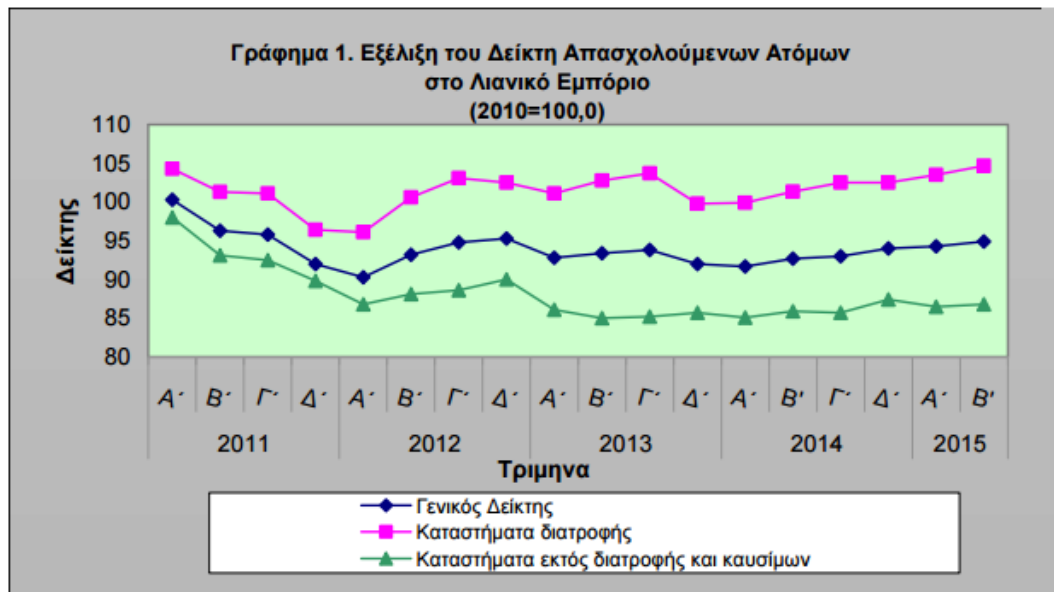
9.3 GRAPH 3-UNEMPLOYMENT RATE IN TARGET GROUPS



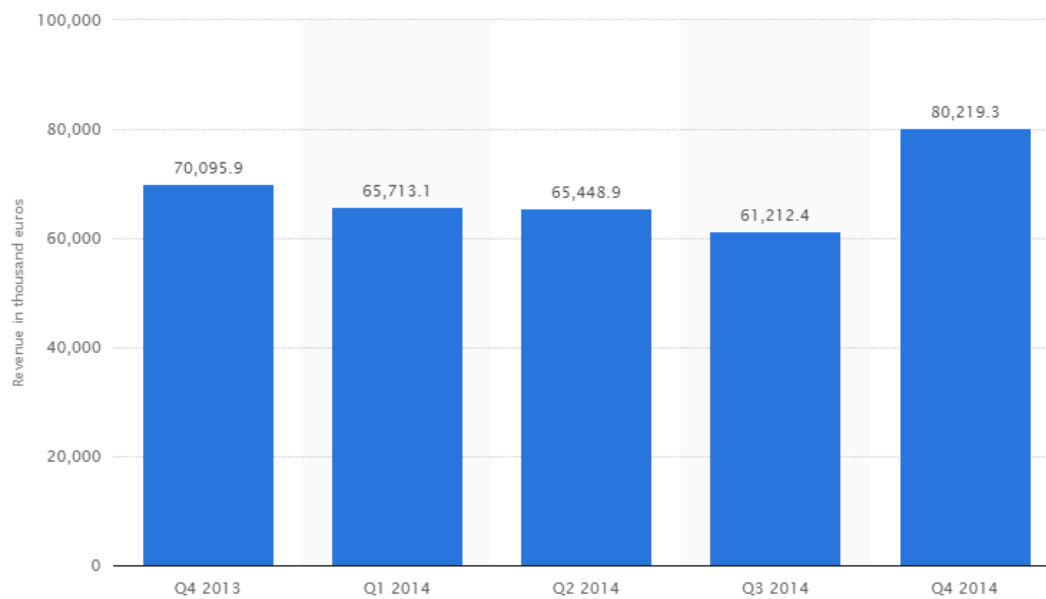
9.4 GRAPH 4-ANNUAL CHANGE IN RETAIL INDUSTRY'S TURNOVER RATIO



9.5 GRAPH 5 -INDEX OF EMPLOYEES IN THE RETAIL INDUSTRY

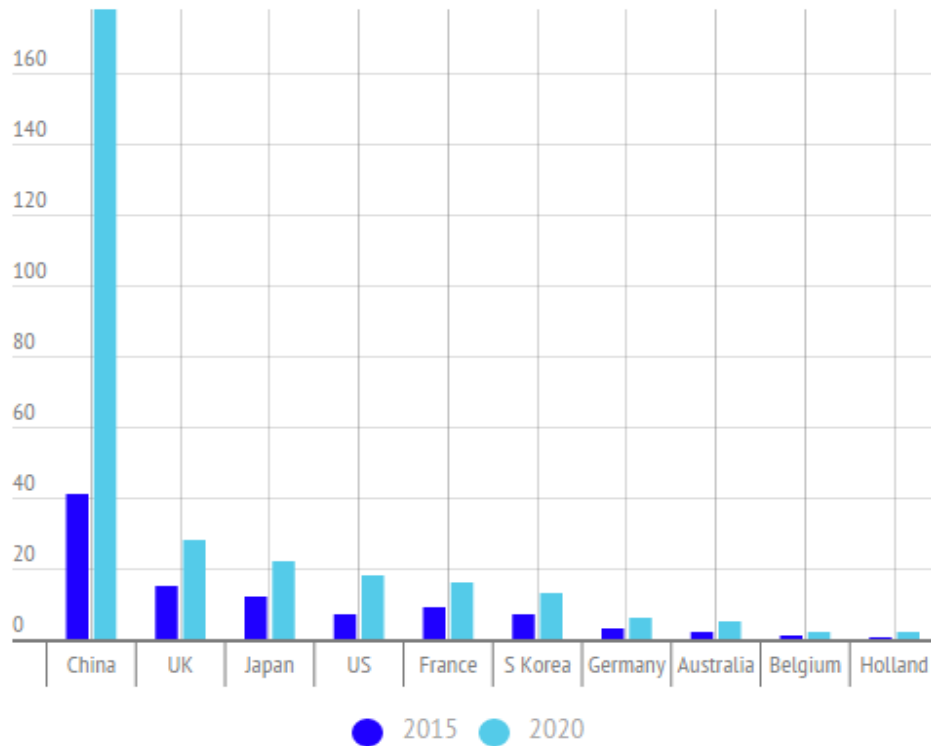


9.6 GRAPH 6 - E-COMMERCE REVENUE FROM ONLINE HYPERMARKET, SUPERMARKET AND GROCERY STORE SALES IN SPAIN FROM Q4 2013 TO Q4 201



9.7 GRAPH 7- ONLINE GROCERY VALUE

Online grocery value by billion dollars



Source: <http://www.foodmanufacture.co.uk/Business-News/UK-is-biggest-online-grocery-market-after-China>

9.8 APPENDIX 2-RESEARCH APPROACHES

- The qualitative research is an approach for exploring and understanding the meaning individuals or groups ascribe to a social or human problem. The process of research involves emerging questions and procedures, data typically collected in the participant's setting, data analysis inductively building from particulars to general themes and the researcher making interpretations of the meaning of the data.²⁶ The form of the report is directly related with the interpretation so it is flexible enough. The qualitative data are not in form of numbers and most of the

²⁶Creswell, John W. (2013): *Research design: qualitative, quantitative, and mixed methods approaches*, 4th edition.(part 1) Thousand Oaks, California : SAGE Publications page 4

times have the form of words. Common examples constitute the exploration of ideas, beliefs, values, motives, trends in thoughts and other similar intangible things.

- The quantitative research is an approach for testing objective theories by examining the relationship among variables. These variables can be measured typically on instruments, so that numbered data can be analyzed using statistical procedures.²⁷ Information is regularly used to create new theories in view of the consequences of data gathered about distinctive variables. On the whole the procedure can be represented by 3 main steps. The first is the conceptualization of the reality in terms of variables, the second the measurement of the variables and the last the examination of relationships between these variables. Generally, the quantitative data gathering methods are more structure than those of the qualitative data.
- The mixed method research comprises a combination of the two approaches above. In this approach quantitative and qualitative data are integrated, combining philosophical assumptions with theoretical frameworks. It is widely accepted that the mixed method provides a more accurate understanding of a research problem, given that both of the methods (qualitative and quantitative) have bias and weaknesses, the multiple-mixes method combine them in order to mitigate their drawbacks.. Nowadays, this method has increased popularity.

9.9 APPENDIX 3 QUESTIONNAIRE

English version

▪ Part 1

1. What is your gender?

²⁷Creswell, John W. (2013): *Research design: qualitative, quantitative, and mixed methods approaches*, 4th edition.(part 1) Thousand Oaks, California : SAGE Publications page 4

2. How old are you?
3. What is your current marital status?
4. What is the highest level of education you have completed
5. What is your monthly income?

All questions above were retrieved from (Kurnia, 2003) and (Saprikis et al., 2010)

▪ Part 2

6. How much time do you spend daily on internet? (Kurnia, 2003) (Saprikis et al., 2010)
7. Have you ever used online shopping? (Kurnia, 2003)
8. How often do you have online shopping? (Kurnia, 2003)
9. What type of device do you use when shopping online?
10. What time (approximately) do you buy products from internet?
11. How much time do you weekly spend on online shopping?
12. Have you experienced one of these problems during online purchase?
 - Delay in delivery
 - Damaged products
 - Cheap quality of products
 - Non delivery
 - Poor customer service
 - Loss of money
 - Others → specify
13. Why are you shopping online (strongly disagree-strongly agree) (Kurnia, 2003) (Saprikis et al., 2010)
 - Comparison shopping
 - Wide variety of brand choices
 - Time-saving
 - Money-saving
 - 24 hour accessibility
 - Convenience
 - Online shopping supersedes traditional shopping
 - Better description of products

- Online shopping is risky
- Delivery service

14. Have you reduced the frequency of traditional shopping due to online shopping?
(Morganosky and Cude,2000)

▪ Part3

Examining the case of a digital supermarket, with delivery within 30 minutes and products offered in lower prices.

15. If it was available today how likely is to use it?(Kurnia, S. &Chien, J. 2003),

16. If it was available today, how likely would you be to recommend it to others?(Kurnia, S. &Chien, J. 2003),

17. What would make you more likely to use a digital supermarket?(Morganosky and Cude,2000),

- Better prices
- Delivery service
- Convenience
- Time-saving
- Bulk purchases
- 24 hours availability
- Other

18. Why would not you use it?

19. How important is price when choosing a supermarket/ product?

20. What do you like most of the competing services currently available from other companies?

21. What changes would you propose in order to improve the competing services currently available from other companies?(Kurnia, 2003)

22. Do you consider shopping supermarket products online in the next 12 months?

23. What recommendations would you proposed us?

Greek version

Η περίπτωση ενός online σουπερμάρκετ

* Required

Φύλο *

- ☐ Άνδρας
☐ Γυναίκα

Σε ποια ηλικιακή ομάδα ανήκετε *

- ☐ 18-24 ετών
☐ 24-36 ετών
☐ 36-50 ετών

Οικογενειακή Κατάσταση *

- ☐ Ελεύθερος/η
☐ Αρραβωνιασμένος/η
☐ Παντρεμένος/η
☐ Διαζευγμένος/η

Ποιο είναι το επίπεδο εκπαίδευσης που έχετε ολοκληρώσει ? *

- ☐ Λύκειο
☐ ΑΕΙ/ΤΕΙ
☐ Μεταπτυχιακό
☐ Διδακτορικό
☐ Other:

Ποιο είναι το μηνιαίο σας εισόδημα? *

- ☐ 400€ -1000€
☐ 1001€- 2500€
☐ 2500€ +

Πόση ώρα περίπου σπαταλάτε στο ίντερνετ ημερησίως? *

- ☐ 1 - 3 ώρες
☐ 3- 6 ώρες
☐ 6 - 10 ώρες

Έχετε ψωνίσει ποτέ από το ίντερνετ? *

- ☐ Ναι
☐ Όχι

Πόσο συχνά ψωνίζετε από το ίντερνετ? *

- ☐ 1-2 φορές τη βδομάδα
☐ 1-2 φορές το μήνα
☐ σπάνια
☐ ποτέ

Μέσω ποιας συσκευής ψωνίζετε περισσότερο ? *

- ☐ Υπολογιστή
☐ Smart phone
☐ Tablet

Τι ώρα ψωνίζετε από το ίντερνετ? *

(κατά προσέγγιση)

- ☐ 9:00 - 14:00
☐ 14:00 - 20:00
☐ 20:00 και μετά

Πόσο χρόνο ξοδεύετε εβδομαδιαίως για διαδικτυακές αγορές? *

- ☐ 1 - 4 ώρες
☐ 4 - 10 ώρες
☐ 10 + ώρες

Έχετε συναντήσει ποτέ κάποιο πρόβλημα σε αγορά από το ίντερνετ? *

Αν ναι ποιο / ποια από τα παρακάτω.

- ☐ Αργή παράδοση προϊόντος
☐ Κατεστραμμένο προϊόν
☐ Κακή ποιότητα προϊόντος
☐ Μη παράδοση προϊόντος
☐ Κακή εξυπηρέτηση πελατών
☐ Απώλεια χρημάτων
☐ Other:

Επιλέγετε το ίντερνετ για αγορές λόγω εύκολης σύγκρισης τιμών. *

1 2 3 4 5

Διαφωνώ απόλυτα ☐ ☐ ☐ ☐ ☐ Συμφωνώ απόλυτα

Επιλέγετε το ίντερνετ για αγορές λόγω μεγαλύτερης ποικιλίας προϊόντων. *

1 2 3 4 5

Διαφωνώ απόλυτα ☐ ☐ ☐ ☐ ☐ Συμφωνώ απόλυτα

Επιλέγετε το ίντερνετ για αγορές λόγω 24 ωρης διαθεσιμότητας. *

1 2 3 4 5

Διαφωνώ απόλυτα ☐ ☐ ☐ ☐ ☐ Συμφωνώ απόλυτα

Επιλέγετε το ίντερνετ για αγορές λόγω εξοικονόμησης χρόνου. *

1 2 3 4 5

Διαφωνώ απόλυτα ☐ ☐ ☐ ☐ ☐ Συμφωνώ απόλυτα

Επιλέγετε το ίντερνετ για αγορές λόγω προνομιακών τιμών. *

1 2 3 4 5

Διαφωνώ απόλυτα ☐ ☐ ☐ ☐ ☐ Συμφωνώ απόλυτα

Επιλέγετε το ίντερνετ για αγορές λόγω άνεσης αγορών. *

1 2 3 4 5

Διαφωνώ απόλυτα ☐ ☐ ☐ ☐ ☐ Συμφωνώ απόλυτα

Επιλέγετε τις διαδικτυακές αγορές γιατί πιστεύετε ότι μελλοντικά θα υπερτερήσουν . *

1 2 3 4 5

Διαφωνώ απόλυτα ☐ ☐ ☐ ☐ ☐ Συμφωνώ απόλυτα

Επιλέγετε το ίντερνετ για αγορές γιατί παρέχουν καλύτερη περιγραφή των προϊόντων. *

1 2 3 4 5

Διαφωνώ απόλυτα ☐ ☐ ☐ ☐ ☐ Συμφωνώ απόλυτα

Επιλέγετε το ίντερνετ για αγορές γιατί προτιμάτε την παράδοση προϊόντων στο χώρο σας. *

1 2 3 4 5

Διαφωνώ απόλυτα ☐ ☐ ☐ ☐ ☐ Συμφωνώ απόλυτα

ΔΕΝ επιλέγετε το ίντερνετ για αγορές γιατί το θεωρείτε επικίνδυνο *

1 2 3 4 5

Διαφωνώ απόλυτα ☐ ☐ ☐ ☐ ☐ Συμφωνώ απόλυτα

Συνεχίζετε να ψωνίζετε με τον παραδοσιακό τρόπο και όχι μέσω διαδικτύου *

1 2 3 4 5

Διαφωνώ απόλυτα ☐ ☐ ☐ ☐ ☐ Συμφωνώ απόλυτα

Online Supermarket

Έστω ότι είχατε τη δυνατότητα να παραγγέλνετε τα ψώνια του σουπερμάρκετ μέσω ίντερνετ, με παράδοση μεταξύ 30 λεπτών και σε προνομιακές τιμές.

Πόσο πιθανό είναι να χρησιμοποιούσατε το online supermarket ? *

1 2 3 4 5

Καθόλου ☐ ☐ ☐ ☐ ☐ Πάρα πολύ

Πόσο πιθανό είναι να το προτείνετε σε άλλους? *

1 2 3 4 5

Καθόλου ☐ ☐ ☐ ☐ ☐ Σίγουρα

Τι θα σας ωθούσε να το χρησιμοποιήσετε? *

- ☐ Προνομιακές τιμές
- ☐ Παράδοση στο χώρο σας
- ☐ Ευκολία Αγορών
- ☐ Εξοικονόμηση χρόνου
- ☐ Δυνατότητα μεγάλων παραγγελιών
- ☐ 24 ωρη διαθεσιμότητα-παράδοση
- ☐ Other:

Γιατί δεν θα το χρησιμοποιούσατε? *

Πόσο σημαντική παράμετρος είναι η τιμή για να επιλέξετε ένα σουπερμαρκετ? *

1 2 3 4 5

Καθόλου σημαντική ☐ ☐ ☐ ☐ ☐ Πολύ σημαντική

Τι σας αρέσει περισσότερο στα ήδη υπάρχοντα σουπερμαρκετ? *

Τι θα διορθώνετε στα ήδη υπάρχοντα σουπερμαρκετ? *

Πιστεύετε ότι σε ένα χρόνο από τώρα θα κάνετε τα ψώνια του σουπερμαρκετ, μέσω του διαδικτύου? *

1 2 3 4 5

Σίγουρα όχι ☐ ☐ ☐ ☐ ☐ Σίγουρα ναι

Τι προτάσεις θα κάνετε για το online supermarket ? *

APPENDIX 3 INTERVIEW QUESTIONS

PART 1 – General Information

1. Store characteristics:

- Selling area
- Number of store departments
- Annual sales
- Total number of brands
- Total number of employees

Source: Phumpiu, King 1997

2. Manager characteristics

- Main responsibilities
- Level of involvement in strategic decisions

3. Do you achieve customer satisfaction? Do you provide customer benefit? Do you attain the desired market share and growth? What is your competitive advantage?

How do you attract new customers? Have you built a positive store image?

(Homburg, Hoyer, and Fassnacht 2002)

4. What is the single most important issue, problem, or challenge for you in managing the day-to-day operations in your store? (Phumpiu, King 1997)

5. The use of temporary price discounts in their supermarkets tends to be very high. Is this a sign that predicts that customers are more and more price conscious? Are customers willing to put extra effort to find lower prices? (Homburg, Hoyer, and Fassnacht 2002)

Part 2- Incorporation of technology

6. Do you think you adopt early the new merchandising or services ideas, compared to your competitors? For example, how you exploit the technology and how are you plan to continue? (Homburg, Hoyer, and Fassnacht 2002)
7. How important is for you to offer online facilities, and how are you growing in terms of online shopping?
8. Do you provide your services online?
 - ✓ If yes, describe us the procedure (minimum order cost, delivery hours, web site or mobile app function), what is the customers response, the average sales, the impact on the physical stores' sales, the profit margin.
 - ✓ If no, why not? Haven't you identify the online shopping trend?
9. Especially for AB Vasilopoulos: The partnership with the coral gas, operating 24x7 is a sign that indicates that you plan to increase the operating hours? Have you established it after an examination of the consuming habits? The pricing strategy differs in these shops? It is a profitable business? How many stores operate? Do you plan to expand?

Part 3- Digital Supermarket

10. Do you afraid of exclusively online competitors? Do you imagine that in 10 years you might operate exclusively online?
11. Given that you already operate in the supermarket sector, the incorporation of online services is easy. If you offer them, why don't you promote and advertise the online services using aggressive marketing tools? Do you afraid of the impact on the physical stores' sales? Furthermore, with the online service do you approach a new target group, or your already existing customers are just divided?
12. If you operate also a digital supermarket, the customers' visits in stores might have been diminished. This means that the physical stores requirements are significantly lower (less personnel and parking lots requirements, less operating costs). On the other hand, the additional cost of the online supermarket is only the distribution cost. Finally, do you manage to take advantage of the digital operation?

13. Key question: How do you think the changes in the retail food industry are going to affect the way you manage your store five years from now? (Phumpiu, King 1997)

9.10 APPENDIX 4 – INTERVIEW RESPONSES

The supermarket

Interview 1, Manager A

1. This supermarket operates only one year. It has physical store only in Thessaloniki area, but as online super sends orders all over the country. It has 4.800 brands and occupies 20 employees in which the shareholders are included, given that they put their efforts. The annual earnings reach approximately 45000-50000 €. This is estimation as the business is running approximately one year.

2. My responsibilities were the general administration of the firm. I dealt with management, marketing issues and all operations. I came in contact with suppliers in order to negotiate the prices, very often I delivered the products in the store and coordinated the personnel. My influence in the strategic decisions was high.

3. The satisfaction that our customers received was high, As a result, we achieved to some extent the development that we wanted, but we didn't manage to reach the initial planned market share. Our competitive advantage is our service, which in essence comprises a combination of services. We offer both supermarket products and the delivery of them. This combination is responsible for the customer's satisfaction. The attraction of the new customers is mainly outcome of the mouth to mouth advertising.

4. The most challenging, important and difficult task for the daily operation is to control the workflow. It is essential you take a continuous look on the flow of the products, in order to avoid lack of inventories as well as you control the employees in order to achieve minimum delivery time. The difficulty lies on the fact that behind the service offering is hidden a complex procedure. We have to control approximately 120 parameters every day.

5. The common use of discount confirms that customers tend to be more and more price conscious. They are willing to go above and beyond in order to find more preferable prices.

They shift also their attention to no name products in order to save money, but they remain pretentious in issues such as quality. In general, Greek customers are very demanding and they always search for brands at lower prices.

6. The adoption of new ideas in the firm was realized very fast. The whole function of the store comprises a new idea. But, there is always room for evolvement, thus the plan was to sell franchise opportunities, as well as to have movable supermarkets with the form of cars, that will serve the remote areas.

7. The offering of online services was the most important task. The existence of the physical store is the supplementary element and no significant effort has been put there. Even the location of the store was more or less incidental. The main concern is the online service.

8. The placing of orders is realized both through internet and telephone, with most of the order to be put through the internet. Telephone users are aged above 50 years old. A user friendly website exists but no mobile application. The minimum order cost is 7 € and no extra delivery costs are imposed. The store operates from 9:00 to 3:00 and 7 days a week. The 24 hour service is not profitable because no orders are placed between 3:00 and 9:00 and an extra shift is required. Furthermore, the license for a 24 hour store is very costly. The delivery of the products is between 40 minutes and the daily number of orders is 100-150.

10. We are afraid of course of the entrance of other firms in the online supermarket industry and maybe after some years we become an exclusively online supermarket.

11. As previously was stated, the main marketing tool was the mouth to mouth advertising. We didn't invest heavily in marketing. But we consider that if we wanted to advertise our company, we would use each and every available tool, from ads in buses/TV/radio to the distribution of flyers.

12. The online and physical store were established simultaneously, but from the first time we considered the physical as a supportive element. We don't think that we address to two different target groups, on the contrary we believe that the target group is one and at short time it will be directed to the online service.

13. The entrance of the huge supermarket chains from abroad in Greece comprises threat for the next years. Plenty of supermarket chains consider the Greek retail industry as a profitable

sector. So we think that the competition will increase in the years to come having to compete with internal and external established companies.

AB Vasilopoulos SA

Interview 2, Manager B

1. The AB Vasilopoulos operates in the area of Greece having 335 stores. The 228 operates as AB Vasilopoulos and the 19 as AB city. Franchise also has been sold, 64 stores named AB Food Market and 10 named shop & go. The last 14 stores are cash & carry stores named ENA. The annual sales of 2014 reached approximately the 1.700.000.000, offering on average 12.000 brands and occupying 11.500 employees.

2. My position is Business Intelligence Manager and Strategy Director with main responsibilities: expansion planning- geo marketing, strategic planning, business development, examination of economic/social/customer trends, strategy's execution and competition monitoring. It is obvious that my influence in the strategic decision is high.

3. We consider that we satisfy our customers. We measure every so often the customers' satisfaction using tracking tools and the last years we are rated in the top 2 companies that offer the highest customers' satisfaction. Our market share continually increases and we measure it examining two parameters. The first one is the share of wallet (which is a method used in performance management) and the second is the success that arouses from our business. Our competitive advantage is not only one, but is a combination of high quality services. We always trade high quality products; we offer superior services and wide variety of items as well as outstanding customer service and good products discounts/offers. The attraction of new customers is realized through two channels. The one is the incessant stores expansion, in order to offer proximity to our customers and the second is the promotion using special discounts. But, by any standard, our strong features are the variety of products and the good shopping environment.

4. The main challenging and important task is service that is provided. The retail industry is complex enough, large volume of products, too much different concepts and large numbers of shops are difficult combined. So the focus is in the customers' satisfaction which relies on the best execution of the above operations.

5. I agree that the use of temporary discount has increased. The 1/3 of the customers continually searches for offers. So AB Vasilopoulos, trying to satisfy them, follows an aggressive policy, incorporating always promotions and discounts. Regarding the effort that customers are willing to put, I think that it is high only in case of very expensive products. The 50% of the consumers seeks for proximity. The last 2-3 years even the national brand follows promotion policies, having diminished their products prices significantly. Thus, consumers are able to choose between many different offers.

6. Yes, we adopt early the technological achievements. In essence, we make the most of the technology in two levels. The first one is the management of products and inventories and the other the attraction of new customers. For instance, we use the data mining, which helps to enhance our strategies. It is extremely innovative and helps to track down better the customers' needs. In general the technology is inserted mainly in the internal environment, so the fact that you may don't identify some technological breakthrough in our services doesn't mean that we don't exploit the technology. The next step that we already are working for is the development of space management technology. It may be not something new or innovative but it will be very beneficial for us. The better categorization or an enhanced shelf image can trigger exceptional results.

7. It is very important. None should be absent of this scene. We offer online services only in Athens and in limited areas. It is important but not the cornerstone.

8. The minimum order cost is 60€, offering free delivery 6 of the 7 days and from 8:30 to 22:00. We offer a web site but not a mobile application. Mobile application there is only for checking the offers as well as the products. Online orders can be placed only through our web site. If the order is placed in the morning, the delivery will take place between 4-6 hours, if it is placed after the midday the delivery will take place the next day. The customers' response is low, but it not constitutes problem for us, because the online aspect doesn't comprise our main focus. The average daily orders number as well as the impact on the physicals stores sales is negligible.

9. The collaboration with the coral gas is a mere partnership. We haven't detected some alteration in the consumers' habits and we don't answer to some need. There is another market in this level, which service the needs 24x7. We are still in an experimental stage, operating only 7 stores and we continue carefully. The pricing policy is different from this of the other stores, offering the items in higher prices. Significant economic results haven't been

achieved, so we consider that even if the 24x7 sector is growing, at the same time it is not the most promising.

10. Even if none can forecast the advances, we don't think that the exclusively online competitors could dominate the industry, thus we don't afraid of them. The shopping experience constitutes the basic target of our strategy. Shopping experience is not considered only the wandering in the aisles. The buying procedure is influenced by social, economic and emotional factors. An online supermarket can't cover these needs, so it will never substitute the physical stores. The online supermarkets' contribution is that they will erase the supermarkets that don't offer significant benefits. But, no matter what, in 10 years from now, we will not go at all to the online stores, because the delivery problems can be absent. Delayed delivery will be the most common factor. Hybrid business model may take advantage, for example the pick up points' case, where you put your order electronically and you have just to go to a point to pick it up. These kinds of business have much more possibilities to be succeeded.

11. We don't afraid of anything. The online facilities' marketing uses the social media but not an aggressive policy because it is not our main focus. Most significant issue comprises the clients' presence in our store. Regarding the target group, in general in the retail industry it is very wide, but specifically for us, the online services are addressed in a restricted group. This group includes people who shop in bulk, peoples with disabilities as well as young and working mothers.

12. The customers' presence in our stores hasn't been negatively affected because of the online services provision. We consider these services as an extra communication and sales channel. In other industries such as the tourism industry this channel is the most significant, but in our case it isn't. I feel that finally, the physical stores will outweigh the online, because the last cannot extort as large volume of customers in order to diminish the operational costs. The only case in which the online model may be succeeded is in companies with low value preposition. Or if a discounter offers its product also online, he may have some repercussions.

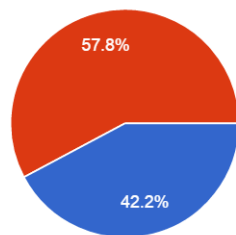
13. The way that we manage our chain stores will be differentiated in customer related issues. In specific, we feel that we will have to offer personalized services. In this field there is a huge room for developing business. Generally we will focus more on the relationship part. The quality and the variety should be kept high. The consumers tend to be more and more demanding, because they continually gain knowledge, so they increase their power, as a

result they demand better firm's- customers' relationship. If some company can't offer it, its withdrawal is inevitable.

Last comment: The future trend is based mainly in the macroeconomic environment and the way in which our lives will be influenced. This is the most determining factor, the environment is difficult and the demand has decreased rapidly. The turbulence in the demand for food products is lower than this of other industries but more or less, during the last two years our firm noticed a significant decrease in sales. The main challenge will be to offer high quality services within a so pressing environment.

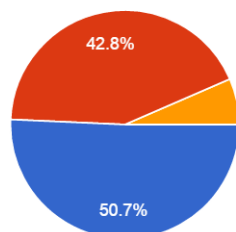
9.11 APPENDIX 5- QUESTIONNAIRE RESULTS

Φύλο



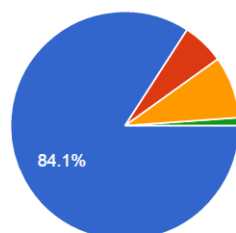
Άνδρας	149	42.2%
Γυναίκα	204	57.8%

Σε ποια ηλικιακή ομάδα ανήκετε



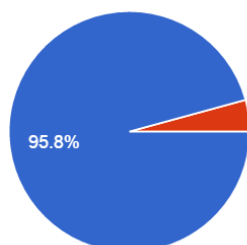
18-24 ετών	179	50.7%
24-36 ετών	151	42.8%
36-50 ετών	23	6.5%

Οικογενειακή Κατάσταση



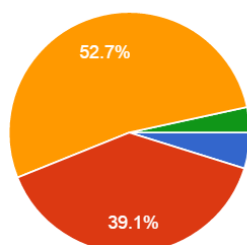
Ελεύθερος/η	297	84.1%
Αρραβωνιασμένος/η	21	5.9%
Παντρεμένος/η	31	8.8%
Διαζευγμένος/η	4	1.1%

Έχετε ψωνίσει ποτέ από το ίντερνετ?



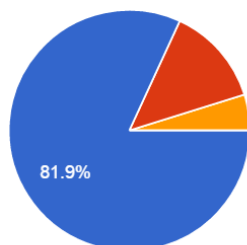
Ναι	338	95.8%
Όχι	15	4.2%

Πόσο συχνά ψωνίζετε από το ίντερνετ?



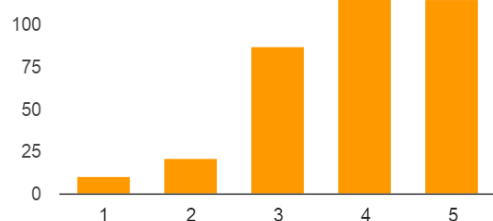
1-2 φορές τη βδομάδα	17	4.8%
1-2 φορές το μήνα	138	39.1%
σπάνια	186	52.7%
ποτέ	12	3.4%

Μέσω ποιας συσκευής ψωνίζετε περισσότερο ?



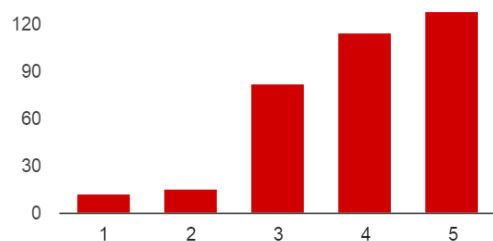
Υπολογιστή	289	81.9%
Smart phone	47	13.3%
Tablet	17	4.8%

Επιλέγετε το ίντερνετ για αγορές λόγω εύκολης σύγκρισης τιμών.



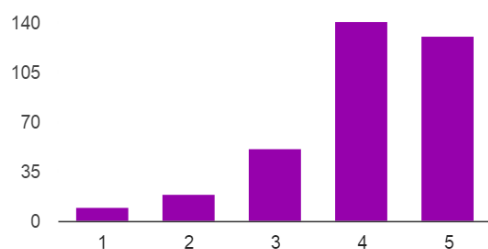
Διαφωνώ απόλυτα:	1	11	3.1%
	2	21	5.9%
	3	87	24.6%
	4	119	33.7%
Συμφωνώ απόλυτα:	5	115	32.6%

Επιλέγετε το ίντερνετ για αγορές λόγω μεγαλύτερης ποικιλίας προϊόντων.



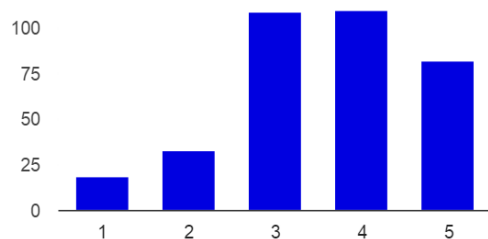
Διαφωνώ απόλυτα:	1	13	3.7%
	2	16	4.5%
	3	82	23.2%
	4	114	32.3%
Συμφωνώ απόλυτα:	5	128	36.3%

Επιλέγετε το ίντερνετ για αγορές λόγω προνομιακών τιμών.



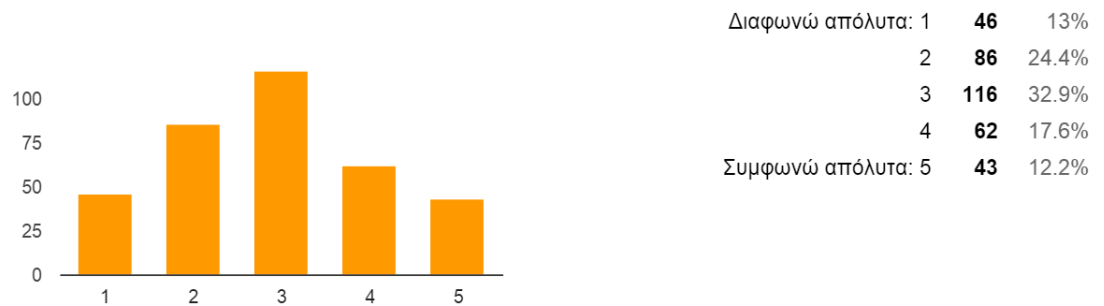
Διαφωνώ απόλυτα:	1	10	2.8%
	2	19	5.4%
	3	52	14.7%
	4	141	39.9%
Συμφωνώ απόλυτα:	5	131	37.1%

Επιλέγετε το ίντερνετ για αγορές λόγω άνεσης αγορών.

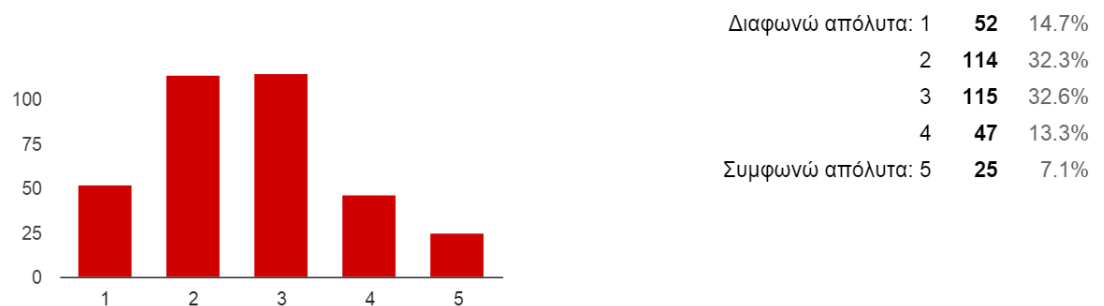


Διαφωνώ απόλυτα:	1	19	5.4%
	2	33	9.3%
	3	109	30.9%
	4	110	31.2%
Συμφωνώ απόλυτα:	5	82	23.2%

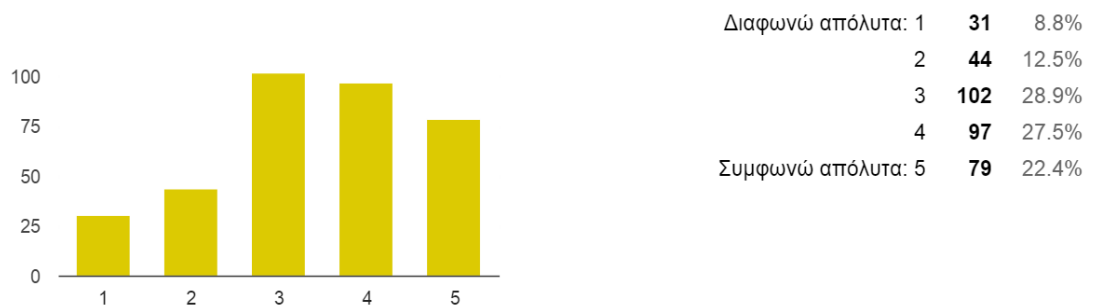
Επιλέγεται τις διαδικτυακές αγορές γιατί πιστεύετε ότι μελλοντικά θα υπερτερήσουν .



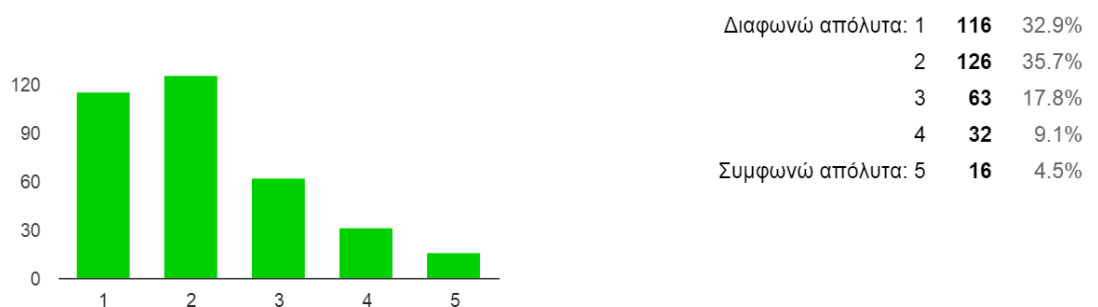
Επιλέγεται το ίντερνετ για αγορές γιατί παρέχουν καλύτερη περιγραφή των προϊόντων.



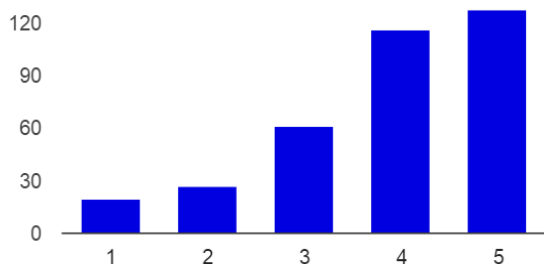
Επιλέγεται το ίντερνετ για αγορές γιατί προτιμάτε την παράδοση προϊόντων στο χώρο σας.



ΔΕΝ επιλέγεται το ίντερνετ για αγορές γιατί το θεωρείτε επικίνδυνο

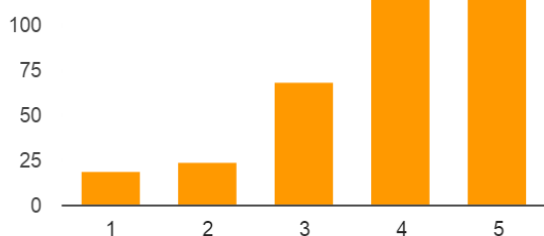


Πόσο πιθανό είναι να χρησιμοποιούσατε το online supermarket ?



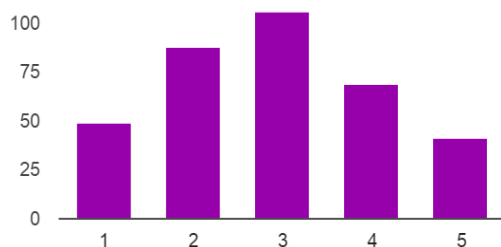
Καθόλου: 1	20	5.7%
2	27	7.6%
3	61	17.3%
4	117	33.1%
Πάρα πολύ : 5	128	36.3%

Πόσο πιθανό είναι να το προτείνετε σε άλλους?



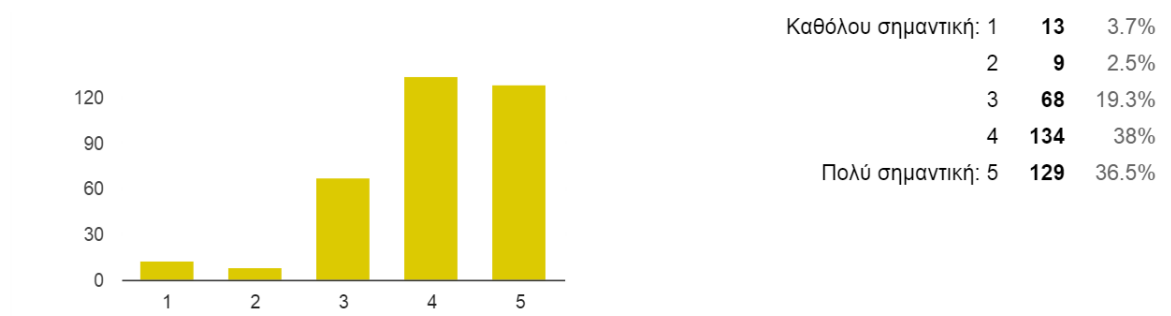
Καθόλου: 1	19	5.4%
2	24	6.8%
3	69	19.5%
4	117	33.1%
Σίγουρα: 5	124	35.1%

Συνεχίζετε να ψωνίζετε με τον παραδοσιακό τρόπο και όχι μέσω διαδικτύου

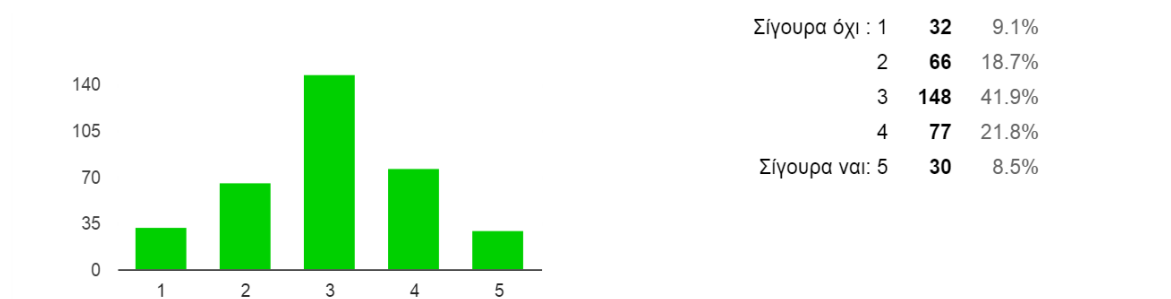


Διαφωνώ απόλυτα: 1	49	13.9%
2	88	24.9%
3	106	30%
4	69	19.5%
Συμφωνώ απόλυτα: 5	41	11.6%

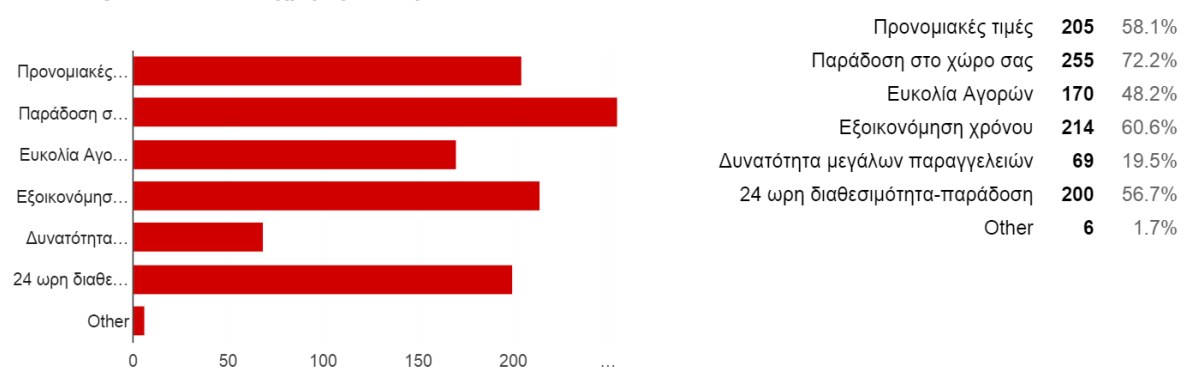
Πόσο σημαντική παράμετρος είναι η τιμή για να επιλέξετε ένα σουπερμαρκετ?



Πιστεύετε ότι σε ένα χρόνο από τώρα θα κάνετε τα ψώνια του σουπερμαρκετ, μέσω του διαδικτύου?



Τι θα σας ωθούσε να το χρησιμοποιήσετε?



9.12 APPENDIX 6- MAIN RESPONSIBILITIES

At the highest level will be the two CEOs, who are going to be us. In our responsibilities are included

- General administration
- Direction/ Guidelines to the lower levels
- Contact with suppliers- negotiating the prices
- Examination of new market trends/opportunities
- Service innovation
- Adjustment of the policies
- Communication with investors
- Control of costs within budgetary guidelines
- Track down internal and external commercial opportunities

At the second level will be the vice president. In his responsibilities are included:

- Internal communication
- Inform the lowest level about key decisions/strategies/guidelines
- Allocation of tasks
- Communication with the marketing and sales manager about problems/events/ads
- Participate in the preparation of sales budgets
- Participate in identification of internal and external commercial opportunities
- Suggestion of improvements based on benchmark practices
- Ensuring that sales and promotions are planned effectively, executed promptly and maintained professionally

At the third hierarchical level will be the store manager, the marketing manager, the sales manager and the logistics manager.

The store manager will be responsible for

- the coordination of the functional level
- the on-time delivery of the products
- the good quality of the products (no expired products)

- Ensuring that the stores are in compliance with the store operating and customer service standards
- Ensuring that the stores are in compliance with the company policy on employment and state laws, health and safety standards
- Day-to-day management of a department/ store.
- In depth knowledge of store offerings

The sales and logistics manager will be responsible for:

- Inform the highest level about problems (delayed supplies/ delivery)
- ensuring the effective stock and space management
- examination of the seasonal sales patterns, adjusting the inventories accordingly
- keep the inventories cost at minimum

The sales manager will take care of

- Maximization of sales- profitability of the brand
- Prepare and participate in the preparation of sales budgets
- Development of sales strategies in order to increase market share
- Establishes and adjusts selling prices by monitoring costs, competition, and supply and demand
- examination of the seasonal sales patterns, preparation of contingency plans

The marketing manager will be responsible for:

- Provide monthly feedback on competitor and event activities
- Understanding the regional dynamics (demographics, consumer behavior, market understanding etc)
- Development of pricing strategies, balancing firm objectives and customer satisfaction.
- Development of the marketing strategy, according to the establishment objectives.
- Formulation, direction and coordination of marketing activities and policies to promote products and services
- Management of the aspects of seasonal campaigns for successful implementation (Advertising, Outdoor, Direct Mail, SMS/ Email Messaging, Website management, PR and Events)

The grassroots level (functional level) consists of the people who control the orders, people who prepare the consumers' baskets and of those who deliver the products. The order coordinators should have excellent IT knowledge, due to the fact that they should manage the orders as quick as possible. Moreover, they will be responsible for safe transactions as well as organize the delivery schedule. If a problem with a credit card occurs they should know if it has to do with the bank, the codes or if it is a fraud. Solving minor transaction software problems is included in their tasks. After the order received; they will have to inform the other two teams, in order to prepare the basket and to deliver it the predetermined hour.

9.13 APPENDIX 7- SKILLS REQUIREMENTS AND SKILLS GAPS

Level	Skills required	Skills Gap
<u>Vice President</u>	<ul style="list-style-type: none"> • Understanding - knowledge of current market trends - ability to detect the items with the higher demand • Superb reporting skills • Knowledge of quantitative analysis tools (software or spreadsheet) to analyze sales trends • Negotiation/Communication/ Motivation/ Coordination/Multitasking skills 	<ul style="list-style-type: none"> • No critical ability → difficulties in identification of opportunities/ Budget preparation • No interpersonal skills → communication problem with managers • Lack of pro-active approach • No multi-tasking ability → difficulties to control 3 managers
<u>Marketing Manager</u>	<ul style="list-style-type: none"> • Excellent knowledge of product features (brand options, warranties, features/benefits, use/application - shelf life, care/handling, storage, ingredients, safety features, price) • Excellent understanding of the targeted customers behavior • Adequate reporting skills • Knowledge of data analysis • Aware of the seasonality factors → proper 	<ul style="list-style-type: none"> • Inadequate products knowledge → ineffective marketing strategy • Inability to understand product information, store policies and procedures • Inability to translate marketing knowledge/information to a retail perspective • Inability to quickly adapt to changing market dynamics and

	timing of the sales promotions <ul style="list-style-type: none"> • Ability to communicate with media agencies • Oral and written communication skills 	adjust the marketing campaigns <ul style="list-style-type: none"> • Lack of creativity
<u>Sales Manager</u>	<ul style="list-style-type: none"> • Meeting sales goals • Negotiation/organizational/analytical skills • Motivation for sales • Sales planning • Building relationships • Market knowledge • Developing budgets 	<ul style="list-style-type: none"> • Poor negotiation skills • Poor analytical skills • Incapability of forecasting • Lack of critical thinking
<u>Logistics Manager</u>	<ul style="list-style-type: none"> • Excellent IT knowledge • Excellent organizational skills • Excellent analytical/ multitasking skills • Knowledge of consuming seasonal patterns • Space Management knowledge 	<ul style="list-style-type: none"> • Poor inventories/space management → increase of cost
<u>Store Manager</u>	<ul style="list-style-type: none"> • Strong communication skills to interact with the store employees. • Written communication skills for sales and other reports. • Man management skills to motivate the employees in a highly-demanding work environment. 	<ul style="list-style-type: none"> • Inefficient understanding of cross functional activities (logistics, in store marketing, merchandising) • Motivation skills, in order to keep the employees committed.
<u>Orders coordinator</u>	<ul style="list-style-type: none"> • IT expertise, knowledge of transaction software/hardware (bar codes, reading machines) • Knowledge of managing credit/debit card payments • Good oral communication skills to interact with the store employees and customers 	<ul style="list-style-type: none"> • Inadequate knowledge of processing of electronic transactions • Inadequate knowledge of software related to transactions • Poor communication skills → internal conflicts/problem with the employees.

<u>Warehouse employees</u>	<ul style="list-style-type: none"> • Very good orientation in the store layout→ quick preparation of the orders • Multi-tasking skills • Very committed to their work • Good Knowledge of the products • Collaborative spirit 	<ul style="list-style-type: none"> • No familiarized with the store layout→ slower preparation of the orders, waste of time • Poor knowledge of products→ confusion of the orders→ customers complaints
<u>Distributors</u>	<ul style="list-style-type: none"> • In depth knowledge of store offerings • Good knowledge of product features (brand options, warranties, features/benefits, use/application - shelf life, care/handling, storage, ingredients, safety features, price) • Excellent communication skills (polite, pleasant) • Good time management skills (on time delivery is essential) 	<ul style="list-style-type: none"> • Inadequate product knowledge→misleading information to receivers • Inadequate communication skills -interpersonal skills, key factor because they are the only part that interface with the customers • Disoriented or prone to delay → huge delivery problems→ customers complaints